The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 7, 1927

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION Ltd.
THE EMPLOYERS' FIRE INSURANCE COMPANY
AMERICAN EMPLOYERS' INSURANCE COMPANY



SAMUEL APPLETON BUILDING
110 MILK STREET, BOSTON, MASSACHUSETTS

Gentlemen, meet Mr. *Employers'*

"Mr. Employers' "—as you may have guessed—is not an individual but a group of individuals—executives, claim men, underwriters, inspectors, payroll auditors, safety engineers, clerks, stenographers, agents, brokers, in fact everyone connected with The Employers' Group. Each is doing his or her part to give the insuring public "The Service That Satisfies." Each is doing his or her part to act as a wise insurance counsellor for "Wise Men Seek Wise Counsel."

Mr. Employers' offers you practically every kind of insurance except life. He wants to help you increase your business—and in so doing to increase his own.

Mr. Employers' wants to know what he can do to help YOU. Would you like to work with him? Would you like to derive some of the benefit accruing from his enviable reputation of many years standing?

[WRITE THE AGENCY DEPARTMENT AT THE ABOVE ADDRESS AND YOUR LETTER WILL BE REFERRED TO THE PROPER PARTY]

F B&D

TO INSURANCE AGENTS
AND BROKERS:

WE ARE MAKING APPRAISALS OF INDUSTRIAL ESTABLISHMENTS THAT YOU CAN USE WITH CONFIDENCE FOR THE PLACEMENT AND ADJUSTMENT OF FIRE INSURANCE. THESE APPRAISALS ARE BASED UPON A DETAILED INSPECTION AND INVENTORY MADE BY TRAINED ENGINEERS. COSTS TO REPRODUCE NEW, COSTS TO REPRODUCE NEW LESS DEPRECIATION AND INSURABLE VALUES ARE SHOWN. CLASSIFICATIONS CONFORM TO INSURANCE RIDER FORMS. WE DESIGN PLANTS, WE BUILD PLANTS, WE MANAGE PLANTS. OUR APPRAISALS ARE MADE, THEREFORE, FROM FIRST HAND INFORMATION. ASK US ABOUT THEM.

Ford, Bacon & Davis
Incorporated
Engineers
115 BROADWAY NEW YORK
PHILADELPHIA CHICAGO SAN FRANCISCO NEW ORLEANS

Security
FIRE INSURANCE COMPANY
Davenport, Iowa.

COMMENCED BUSINESS 1883

Forty-four Years Successful Record

E. E. SCENKE, Secretary and Gen. Manager

"A GOOD ASSET TO ANY AGENCY"

YOU

HAVE A
NO-WORRY POLICY
WHEN YOU HAVE
THE DELAWARE
IN *YOUR* AGENCY

address
applications for representation
to the Chicago Office

DELAWARE
INSURANCE COMPANY OF NEW YORK
111 W. JACKSON BOULEVARD
CHICAGO

Good Service

IN insurance, as in every other business, good service is essential to success.

The Philadelphia Fire & Marine Insurance Company assures agents and brokers of good service, in their own interests and that of their clients and on every detail of coverage. The scope of its protection is an asset to its representatives.

PHILADELPHIA
FIRE *and* MARINE
INSURANCE COMPANY

HEAD OFFICE:
1600 Arch Street, Philadelphia, Pa.
209 W. Jackson Blvd., Chicago, Ill.
200 Bush Street, San Francisco, Cal.
8th Floor, Hurt Bldg., Atlanta, Ga.

THE NATIONAL UNDERWRITER. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-first year. No. 27. Thursday, July 7, 1927. $4.00 a year, 20 cents per copy. Entered as second class matter February 24, 1900, at post office at Chicago, Illinois, under act of March 3, 1879.

"Father, any vacation is 100% perfect if we know we'll always have a roof over our heads when we return."



Over the Hills to CONTENTMENT

"Yes, daughter, home means everything to a woman, and if a fire or a windstorm or an explosion compels her to find a place to live in until her own real home is rebuilt or repaired, it is a great comfort to know that none of the Fire Insurance money will have to be used to pay rent somewhere; because there'll be other cash insurance money, provided by the 'Rental Value Insurance' for that."

"Thinking of you and our home made me get *'Keep-a-Roof-Over-Your-Head' insurance protection—and it costs less than Fire Insurance."

"Just what did that Mercantile Fire Insurance Co. Agent call it: ***'Rental Value Insurance,'*** wasn't it?"

"Yes, but *'Keep-a-Roof-Over-Your-Head' brings it right home, doesn't it?"

Rental Value Insurance is the Siamese Twin of Fire Insurance and our representatives have no difficulty in providing this vital protection to many who never knew about it 'til they received our agency aids.

Registered



a Poor Gamble

MANY people are inclined to "take a chance" with their personal belongings during the vacation period. But in that short space of time, the danger of losing valuable possessions is present every minute of the day and night.

Our agents are showing their clients and prospects the great odds that are against them from the moment they leave home—unless they carry Personal Effects Insurance. In taxicabs, railroad stations, on trains, aboard steamers, buses, at the hotels—everywhere lurks the menace of fire, theft, the perils of transportation. At no other time is a person exposed to loss from so many different risks.

And our agents are proving that no other policy gives as much protection per dollar as Personal Effects Insurance. By stressing the low cost, and explaining the wide limits of the coverage, *anywhere* away from home, they are making a record this year in sales of this insurance.

STAR
Insurance Co.
OF AMERICA

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N. Y.

Western Dept. CHICAGO · Southern Dept. NEW ORLEANS · Pacific Coast Dept. SAN FRANCISCO

THE COMPANY WITH THE L. & L. & G. SERVICE

SOUND, SOLID, SUCCESSFUL

NEW HAMPSHIRE FIRE INSURANCE COMPANY

MANCHESTER, N. H.

Fifty-Seventh Progressive Annual Statement, January 1, 1927

ASSETS		LIABILITIES	
United States Bonds	$ 2,679,000.00	Capital Stock	$ 2,500,000.00
Dominion of Canada Bonds	82,150.00	Unearned Premium Reserve	5,879,442.72
Real Estate	267,500.00	Reserve for Losses	767,311.82
Municipal and other Bonds and Stocks and Mortgage Loans	9,038,249.52	Reserve for Taxes and Expenses accrued but not due	257,500.00
Agents' Balances	878,839.69	Reserve for Dividends declared and unpaid	90,444.00
Accounts Receivable	118,344.19	Net Surplus	4,185,087.23
Cash in Banks	615,702.37		
	$13,679,785.77		$13,679,785.77

Policyholders' Surplus - - $6,685,087.23

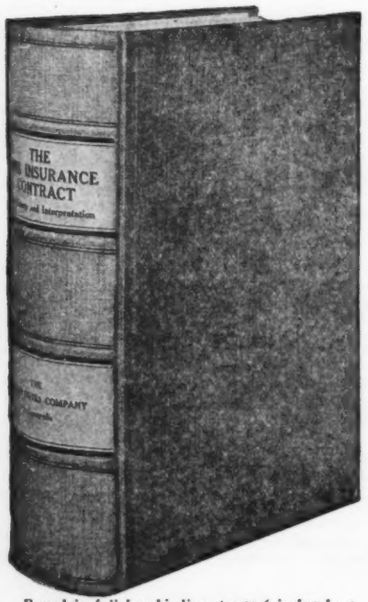
Increase in Assets $934,350.67
Increase in Premium Reserve 259,473.64
Increase in Net Surplus 448,292.22

OFFICE SYSTEM — The Rough Notes Co. — INSURANCE SUPPLIES

EVERYTHING FOR THE INSURANCE MAN — INDIANAPOLIS.

The Fire Insurance Contract

ITS HISTORY AND INTERPRETATION



Compiled and Edited by, and Published Under the Auspices of The Insurance Society of New York

Compiled from the monthly addresses which for the past twenty years have been delivered before the Insurance Society of New York, completely edited and revised for publication in book form. These lectures comprise the greatest fund of authoritative insurance information ever brought together. This book gives you the cream of this material.

COVERS THE WHOLE FIELD OF FIRE INSURANCE

The Standard Policies, New and Old, Compared and Explained — Fundamentals of Insurance Law — The Policy Clauses, Interpreted and Explained in Detail—Mortgagee Interest—Losses and Loss Settlements—Proof of Loss—Adjustments: Building, Machinery, Stock, Cotton, Automobile—Ascertainment of Values—Non-Concurrent Insurance—Subrogation—Authority of Agents—Co-Insurance—Use and Occupancy Insurance—Forms—Blanks.

Price $5.00

The National Underwriter Co.
1362 Insurance Exchange
Chicago, Illinois

420 East Fourth St., Cincinnati
80 Maiden Lane, Room 613, New York
313 Iowa National Bank Bldg., Des Moines

Bound in full law binding, pages 6 inches by 9 inches in size; printed on good paper, in clear, large type, over 1,000 pages. Completely and thoroughly indexed by word and topic; and with complete table of cases referred to which is itself an index to the whole law of insurance.

INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS



Advantages of Disinterested Records

A Lloyd-Thomas appraisal* is a disinterested record or fact picture of your client's physical properties. It is unbiased, authentic and accurate.

Insurance companies welcome Lloyd-Thomas appraisals* as a basis in the adjustment of a loss because they are a disinterested record of the insurable values in question.

Accuracy and authenticity could not be obtained save by an outside disinterested party, well equipped through experience to ascertain insurable values.

By recommending Lloyd-Thomas appraisals* you are rendering your clients a real service and broadening the scope of your usefulness.

*"WHAT IS AN APPRAISAL?—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES

APPRAISAL ENGINEERS

4411 Ravenswood Ave., Chicago
120 Broadway, New York

Cincinnati	Cleveland	Detroit	Indianapolis
• St. Louis	Milwaukee	Pittsburgh	Memphis
Denver	Toronto	Minneapolis	Kansas City
Washington	Los Angeles	Atlanta	Des Moines

1889 JOHN H. GRIFFIN, President 1927

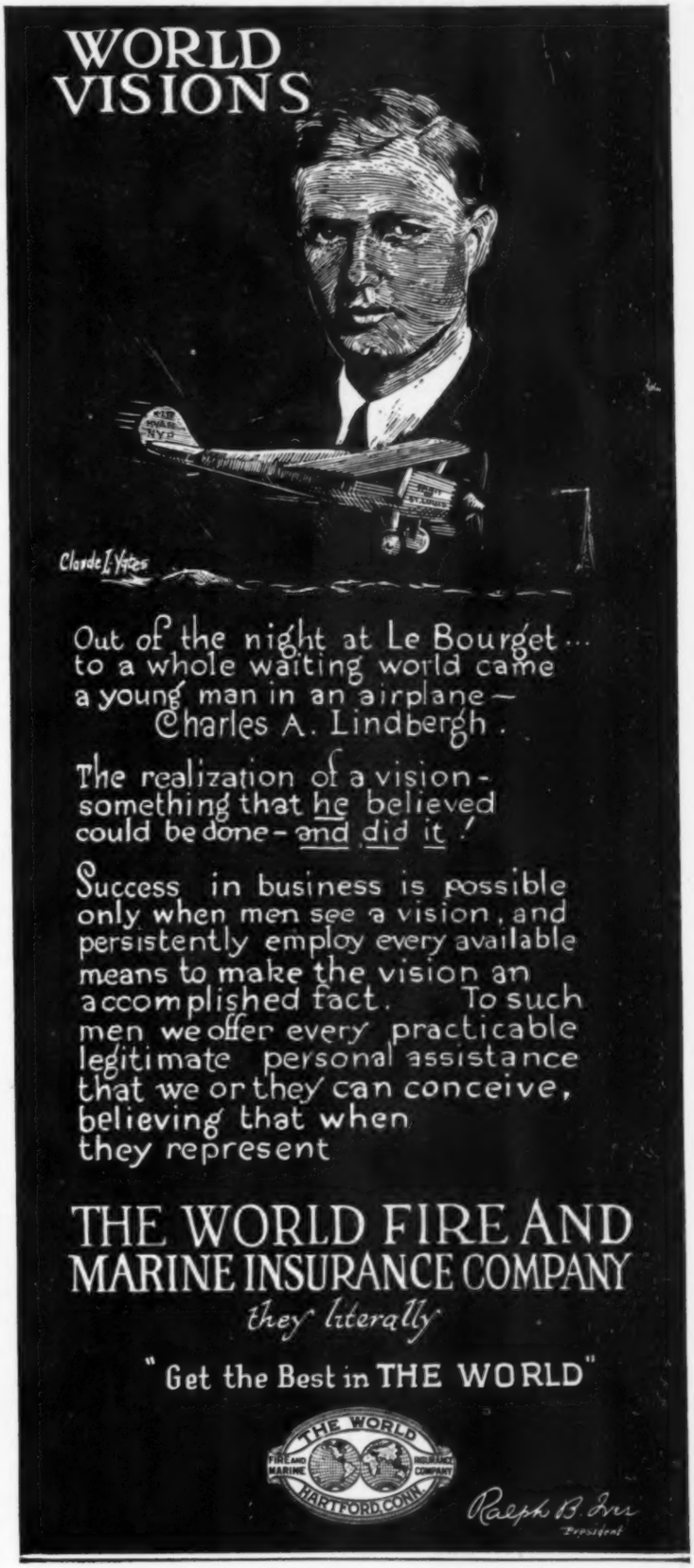
NORTHWESTERN

FIRE AND MARINE INSURANCE COMPANY
MINNEAPOLIS, MINNESOTA

Isn't it worth while

To know that you have a company in your agency that has the facilities and desire to serve you completely and satisfactorily?

Fire Tornado Lightning Automobile Hail Rents Use and Occupancy



An Insurance Service Extended to Everybody

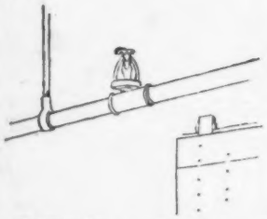
The Insurance Information Bureau, maintained by the Ætna Insurance Company, The World Fire and Marine Insurance Company, and The Century Indemnity Company, will be glad to provide information on all insurance problems. This service is not only extended to agents and policy-holders of these three companies but to the general public as well.

Address requests for information to

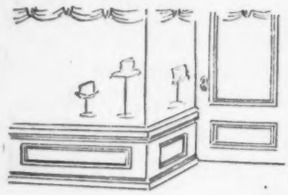
670 Main Street **INSURANCE INFORMATION BUREAU** Hartford, Conn.



Brown & Draper's department store is insured through a department store agency



THERE'S A SPRINKLER LEAKAGE POLICY ON THE WAREHOUSE.....



.....A PLATE GLASS POLICY ON THE SHOP WINDOWS.....



LIABILITY, FIRE, AND THEFT INSURANCE ON THE TRUCKS.....

As every agent knows, the difficulties of providing a retailer with proper insurance increase as the business grows and becomes more complicated. Take the case of Brown & Draper's Department Store, an organization that started as a small drygoods store back in the nineties and that gradually developed into THE store of an important trading center.

It may have just happened that in the old days Mr. Brown, who started the business, placed his insurance through the local agency of the Hartford Fire Insurance Company, but it has NOT just happened that the insurance has been continued with this agency year after year. The line has remained with the same agency because that agency has kept abreast of the times and has done something more than write policies on order. The agency is in every sense of the word Brown & Draper's insurance counselor.

Hartford agents will themselves be the first to acknowledge the helpful cooperation that their Company has given them in the development of new lines and in the extension of facilities that have made it possible for them to be considered as "department stores of insurance".



BUSINESS INTERRUPTION INSURANCE ON THE ENTIRE PLANT.....

AND RENT, EXPLOSION, PUBLIC LIABILITY, HOLDUP, SAFE ROBBERY, MAIL PACKAGE, AND A BLANKET FIDELITY BOND. FURTHERMORE THIS INSURANCE IS ALWAYS IN PERFECT ORDER.



HARTFORD FIRE INSURANCE CO.

HARTFORD, CONNECTICUT

NEW ORLEANS'
New St. Charles

To better serve our many friends and patrons over $300,000.00 has been expended in reconstruction and rehabilitation to maintain this famous hostelry as

One of America's Leading Hotels

The large well ventilated high ceiling rooms have been retained and modernized

ACCOMMODATING OVER 1000 GUESTS
Send for Descriptive Hotel Folder:
"Illustrated Mardi-Gras Program for the asking

ALFRED S. AMER AND CO., Ltd.
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Ticket Offices of all Transportation lines in lobby

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FOR
NON-RESIDENT
AGENTS

We Can Handle Your Chicago Business Better Than a Company Office

CRITCHELL, MILLER, WHITNEY & BARBOUR
Over 58 Years of Continuous Successful Operation in Chicago
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Perfection of Depth and Color
Canal 258-9 705-11 Sycamore St.
CINCINNATI

R. M. BISSELL, President WILLIAM WALSH, Secretary

TWIN CITY FIRE INSURANCE COMPANY
MINNEAPOLIS, MINNESOTA

The Company That Aims to Excel in Service

FIRE TORNADO FARM
HAIL AUTOMOBILE TRACTOR

Iowa National Fire Ins. Co.
Des Moines

FIRE—LIGHTNING—TORNADO and AUTOMOBILE INSURANCE

An IOWA Company *For IOWA Business*
IOWA Agents Wanted

PARLEY SHELDON, Honorary Vice-President
C. S. VANCE, President
C. M. Spencer, Vice-President and Secretary
FRANK P. FLYNN, Treasurer

Steam Up for Increased Premium Production Through the Sale of Every Kind of Cover

NORTHERN ASSURANCE COMPANY LIMITED, OF LONDON

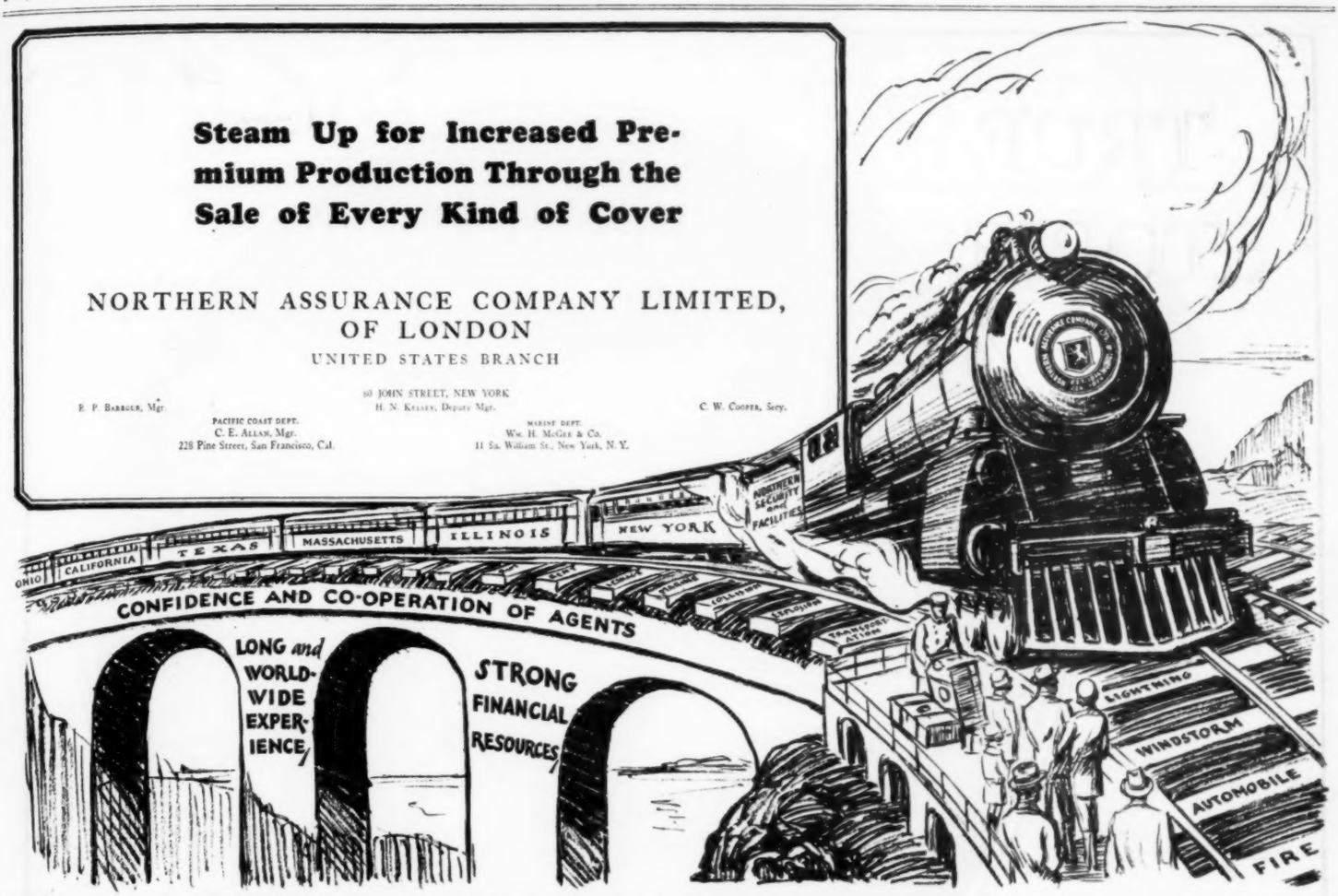
UNITED STATES BRANCH

80 JOHN STREET, NEW YORK

R. P. Barbour, Mgr. H. N. Kelsey, Deputy Mgr. C. W. Cooper, Secy.

PACIFIC COAST DEPT. C. E. Allan, Mgr. 228 Pine Street, San Francisco, Cal.

MARINE DEPT. Wm. H. McGee & Co. 11 So. William St., New York, N. Y.



86TH YEAR

AD 1841

CAMDEN FIRE

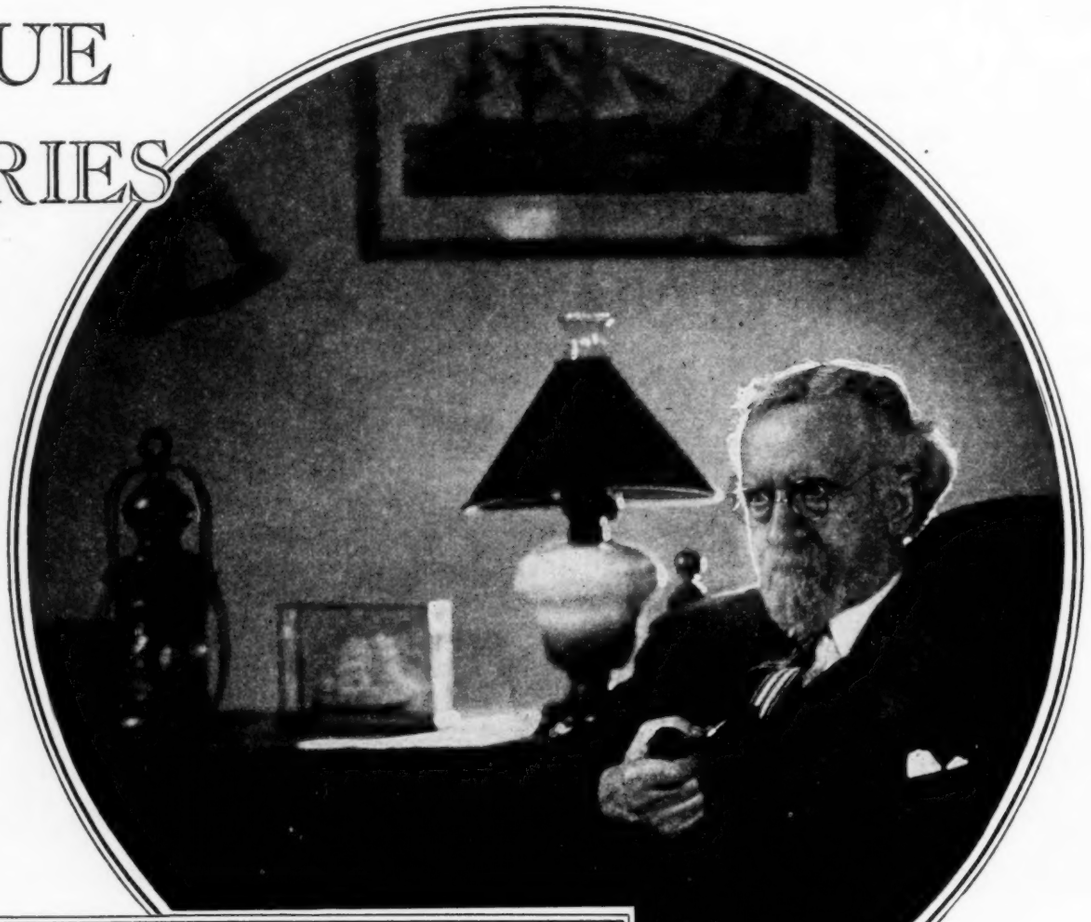
INSURANCE ASSOCIATION

CAMDEN, NEW JERSEY

January First, Nineteen Twenty-seven

CAPITAL STOCK	**$2,000,000 00**
NET SURPLUS	**2,547,189 60**
Reserve for Unearned Premiums	**5,182,197 70**
Reserve for Losses in Process of Adjustment	**964,052 00**
Reserve for Taxes	**150,000 00**
Reserve for all other Claims	**23,029 40**
TOTAL ASSETS	**$10,866,468 70**

TRUE STORIES



IF he had only known! If his insurance man had only told him—certainly he would not be in this fix now!

When Captain Bartholomew retired from the sea he looked about for a safe investment that would yield an income sufficient to keep him comfortably in his declining years. His choice fell upon a small mercantile building in Boston, the rentals from which were sufficient to meet carrying charges and provide him with enough income upon which to live.

Then the fire—of course he had insurance—that is, he had insurance on the physical property—but his insurance man had failed to tell him about rent insurance. Now with interest on mortgage and amortization expenses continuing while income is stopped for at least six months, Captain Bartholomew is faced with a disagreeable problem which would not have disturbed the tranquility of his retirement had he possessed a Fidelity-Phenix Rent Insurance Policy.

Have you told all your clients who depend upon the income from rentals of the vital necessity of rent insurance?

FIDELITY-PHENIX
FIRE INSURANCE CO.
80 MAIDEN LANE, NEW YORK, N.Y.

"FIDELITY" PHENIX FIRE INSURANCE COMPANY OF NEW YORK
"AMERICA FORE"

ERNEST STURM, Chairman of the Board,
PAUL L. HAID, President.

Cash Capital - Ten Million Dollars

NEW YORK - CHICAGO - SAN FRANCISCO - MONTREAL

The National Underwriter

Thirty-first Year, No. 27 | CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, JULY 7, 1927 | $4.00 Per Year, 20 Cents a Copy

GOOD WORK WAS DONE IN SALVAGING COTTON

George M. Ruddy and Associates Had Trying Times in Flood Zones

MUCH DAMAGE WAS DONE

Bales Were Reconditioned and Almost All Have Now Been Sold at Fair Prices

NEW YORK, July 6.—After a strenuous six weeks spent in the flooded districts of Mississippi and Louisiana, whither he went to direct cotton salvaging operations, George M. Ruddy, general agent of the Underwriters Salvage Company, is again at the organization headquarters here, thoroughly tired out with his trying experience.

The flooded area covered approximately 75 square miles, and was responsible for the loss of numerous lives, and a property damage mounting into the millions. Now that the waters have in considerable measure receded from their former high mark, the great majority of the residents of the territory despite all they have gone through, will continue to occupy their properties, feeling that these will be more productive than ever as a result of the rich deposits left by the floods. Thanks to the splendid efforts of the medical corps of the army, the several states and other agencies, the menace of fever epidemics, once feared, has been largely overcome.

Salvaging of Cotton

The salvaging of the thousands of bales of damaged cotton stored in the compresses along the Mississippi and its tributaries, was undertaken by Mr. Ruddy at the request of Charles B. Snow, appointed receiver of the majority of the compresses in the devastated zone by the United States District Court with a view to safeguarding the interests of owners of uninsured cotton in the warehouses, estimated at 10 percent of the total storage, and of the concerned insurance interests, primarily the Cotton Insurance Association, the Cotton Fire & Marine Underwriters and a number of independent marine writing companies.

Insurance Loss Will Be Heavy

What the insurance loss will prove to be cannot be even roughly approximated at this time, but it will unquestionably be heavy. London Lloyds is credited with having a number of excess line contracts, which will take a considerable burden off the direct writing offices.

Leaving Jackson, Miss., on May 5, Mr. Ruddy in company with General Agent McClure of the Texas office of the Underwriters Salvage Company and Special Agent Washburn of its Atlanta branch, made as complete an inspection as was possible of the compresses at Yazoo City, Belzoni, Leland, Hollandale, and Granville, Miss.

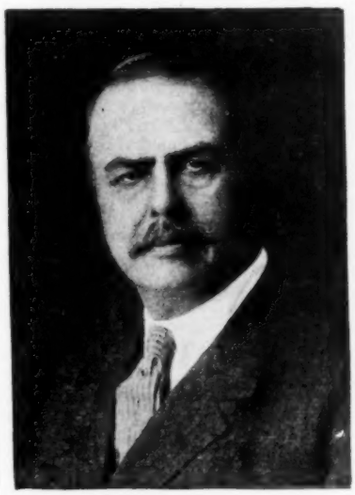
At the first mentioned center 10,000 bales of cotton were stored in the compress of the Peoples Warehouse Company, a property not under the authority of the federal receiver. At the request of the compress owners and underwriters here, the product was shipped to Memphis for reconditioning and sold under sealed bids. It was disposed of at $40.50 per bale, spot cash—sound value being about $83, for shipment to Liverpool. An idea of the rapidity and efficiency with which the salvaging operation here was conducted may be inferred from the fact that the bales were floated along the railway track and loaded upon cars at the rate of a bale every 30 seconds. This work was under the immediate direction of Special Agent J. S. Patton of the Salvage Company.

A return of $37.10 per bale was made on the 4,700 bales stored at Leland; the 7,000 bales at Belzoni brought $48.60 each, while the 2,800 bales at Greenville realized $19.05 per bale. Bids were received both upon a per bale and an aggregate lot basis, the more advantageous offering being accepted in every case. So severe was the damage suffered by the compresses at Greenville, that it is expected two weeks will yet elapse before the cotton can be shipped, that time being required to make the railway operative.

The 5,000 bales stored at Hollandale has not yet been disposed of nor will it be until its conditioning has been completed. Cotton was sold on an as is and where is basis, nothing being guaranteed by the sellers save the number of bales. In the course of their activities Mr. Ruddy and his two associates traveled hundreds of miles by boat and handcar, mainly the former, using upon occasion the railway roadbeds, which were under 14 feet of water, as direction guides, the trip was often perilous, and once or twice the voyagers barely escaped drowning. Underwriters who have knowledge of the difficulties encountered by the representatives of the Underwriters Salvage Company and of what they accomplished in the course of their activities pay the highest tribute to their skill and courage and are highly gratified at the results they secured.

FRED S. JAMES BELIEVED IN EMPLOYING ABLE MEN FOR RESPONSIBLE WORK

THE death of Fred S. James at the Highland Park Hospital, Highland Park, Ill., removes another of those strong individual characters that pioneered in fire insurance in the central west from the time of the Chicago fire up to 20 years ago. Mr. James had many characteristics that made him a successful organizer and developer of strong men. He had the faculty of being able to select men of ability as lieutenants and then putting responsibility on them. In this way he built up a magnificent organization. Mr. James, for instance, took the position that the department heads in his office should be paid well and should be men of superior mold. He often said that a chief daily report examiner deserves to be paid well so that he would not have to be troubled about his living. He said that an examiner by poor judgment could lose a company thousands of dollars a year. Therefore he aimed to have about his office a particularly high grade set of examiners.



FRED S. JAMES

Gave Examiners Free Hand

He employed these men, placed responsibility on them and if they were not equal to the position out they would go. It is a remarkable fact, however, that Mr. James had an almost uncanny sense in hiring men. His turnover so far as his higher positions were concerned was very light. Mr. James did not want the examiners to feel that the field men were superior. He laid particular stress on the office underwriting side, because the examiners write the letters, pass on the business and are the contacts of the office with the field. He desired a friendly attitude to be assumed. He wanted an examiner to be resourceful, original and aggressive.

James Not a Detail Man

Mr. James was not a detail man in any sense of the word. He originated many things. He was a master hand in his day in reinsuring companies. In connection with his local agency he had relationships with very prominent men and would get the business. It was then up to the office to analyze what he had brought in and get it in shape. He paid no attention whatever to the subsequent developments. Fortunately he had associated with him, George W. Blossom, who has always been a master hand in analysis, in handling details and in shaping up a proposition. Here were two men with characteristics that were antipodal. They dovetailed into their work admirably.

Examiners With the National

Go over the list of examiners that were associated with the National Fire of Hartford office when Mr. James was general agent and anyone can appreciate the wonderful organization that he brought together. For instance, he had E. R. Ely, who came from one of the

(CONTINUED ON PAGE 31)

INSURANCE BUSINESS DISCOVERS NEW FIELD

Aerial Transportation Creates Need for Coverage on Planes and Their Contents

AIRLINES ARE INCREASING

Underwriters Studying Risks of Flying —Local Agents Have Chance to Increase Their Earnings

NEW YORK, July 6.—Since the trans-Atlantic flight of Col. Charles A. Lindbergh, followed shortly by that of Chamberlin and of Byrd and his associates, and again by the successful crossing of the Pacific by Lieutenants Maitland and Hegenberger, public and governmental interest in aviation has been intensified, and almost daily one reads of aerial transportation companies being formed or projected. Underwriters have a pronounced concern in the matter, for on the extent and character of the indemnity they are able to supply will depend in no small degree the future development of aeronautics.

The present scope of air transportation in the United States is far greater than is realized by the average citizen. The Aircraft Year Book is authority for the statement that there were 2,182 planes in service in this country at the close of 1926; of these 969 were of the commercial type; 201 were in the mail service, and the remainder were army, navy and coast guard craft. There are 4,000 landing fields, ranging from crude grounds to such extensive airports as that located at Cleveland, which is valued at $1,250,000. Some 20 air travel routes are already operated in various sections of the country and it is announced a transcontinental service between San Francisco and New York will be available by Aug. 1. Other lines will be formally opened in the near future.

Possibilities Are Many

In an article in "Human Relations," house organ of the Independence companies of Philadelphia, Lieut. George O. Noville, flight engineer of the Byrd North Pole expedition and a companion of Commander Byrd in his recent flight across the Atlantic, is optimistic as to the future of air transportation, saying in part: "The great distances between important commercial centers and the great relatively thinly populated areas of the United States make necessary the development of a sure and rapid means of transportation, and it is my belief that it will be only a matter of a short time until the entire country realizes the value of this new instrument at hand.

"European airlines during the last five years have covered 13,015,800 miles, or the equivalent of 552 times the earth's circumference at the equator. During this time 115,225 passengers and 1,400,000 pounds of mail and 7,600,000 pounds of merchandise have been transported.

(CONTINUED ON PAGE 33)

DE VAN FAVORS SINGLE INTEREST AUTO POLICY

ADDRESSES KENTUCKY AGENTS

Member of National Association Executive Committee Considers It Best Basis for Finance Business

At the concluding session of the annual convention of the Kentucky Association of Insurance Agents, held in Lexington last week, R. P. De Van of Charleston, W. Va., a member of the executive committee of the National association, spoke for that organization. Mr. De Van said that he and other members of the national executive committee attended the state conventions in order that they might observe the methods of operation used by these organizations and also learn of any peculiar conditions in the state which would enable the national executive group to act more intelligently on problems which come before it. They also attend the state meetings, he said, in order to report back to members of the National association on what that body was doing. Mr. De Van reviewed briefly the National association action on the Milwaukee resolution and the company conference agreement and emphasized that in such matters only national action was of any great avail. He urged support of the 208 companies that have signed the conference agreement.

Advertising and Accounting Plans

The National association is preparing to furnish outlines and plans for advertising and publicity. In this work it is consulting with leading advertising agencies of the country. Likewise in the field of accounting, the association, largely through the chairman of the committee in charge, W. Eugene Harrington of Atlanta, is preparing information on local agency accounting which will be of great value to members.

For automobile finance company insurance Mr. De Van said he believed the single interest policy, covering only the unpaid balance owed the finance company would prove to be the basis for correct handling of that situation. He praised the cooperating spirit of the officers of the General Exchange, insurance organization of the General Motors, and said a next step of the insurance agents would be to stop the selling of all insurance by automobile salesmen. He closed with an appeal for an increased membership.

W. B. Brock of Lexington then gave a very fine review of hail insurance practices in the Kentucky tobacco fields.

Saufley for Qualification Law

S. M. Saufley, Kentucky commissioner, addressed the convention, outlining the need for a qualification law in Kentucky and stressing the importance of agency integrity and trustworthiness, since it is the agent to whom the buyers really look for protection of their interests.

Speaking for the Kentucky Field Club, Herbert Robinson, its president, urged that the agents support a movement for placing a limitation clause on Kentucky policies which would put an end to the writing of excessive amounts of concurrent insurance.

The advertising plans of the Louisville Board were explained by George I. Burkley, who said that such advertising strengthened the standing of the board, increased the membership of the board, increased the morale of its members as well as that of their solicitors, offered them valuable material for follow-up work with policyholders and opened the way for acceptance by the public.

Resolutions Adopted

Resolutions were adopted recommending that the incoming president appoint a grievance committee, a fire prevention committee and a standing membership committee, with especial

(CONTINUED ON PAGE 34)

ACTUALLY REMOVES THE MYSTERY FROM U. AND O.

FOSTER'S BOOK WINS FAVOR

Shows the Essential Simplicity of Line That Has Been Obscured by Much Discussion

There have been many favorable comments on the new book by W. S. Foster, "Removing the Mystery from U. and O. Insurance." Mr. Foster is one of the real authorities on this line and has been in great demand at insurance meetings of both special agents and local agents, because of his faculty of making the coverage clear in a brief talk.

The book, which is published by THE NATIONAL UNDERWRITER, is simply the talk which has been so warmly praised when delivered at various meetings. Mr. Foster uses lantern slides to illustrate the different phases of the subject and these have been reproduced in the book. Thus in a slight volume that can be read in half an hour a thorough explanation of use and occupancy insurance is given in everyday language. Some agents have already bought copies to present to their customers, feeling that to be the easiest way to sell the line and give the assured a fair understanding of why he needs U. and O. insurance and exactly what it covers. Copies for all their field men have also been purchased by some of the fire insurance companies.

Mystery to Field Men

One reason why U. and O. insurance is not more extensively sold is that few field men are able to explain it authoritatively to agents and if the agents do not understand it they can not sell it to their customers. There is a feeling that field men devote their attention too exclusively to fire insurance instead of developing other lines that would add to the volume of premiums. Inasmuch as the minor lines are more profitable than fire insurance, which has been producing a loss for several years, the desirability of having special agents trained on use and occupancy is evident. Large numbers of field men have purchased their own copies.

Has Two Great Merits

No insurance subject has drawn out so much printed argument and elucidation as U. and O. coverage. The essential simplicity of U. and O. has been obscured in a sea of words. A company official of high rank and standing in general underwriting not long ago in a published talk made a statement about U. and O. coverage that was grossly incorrect and misleading. Fortunately his own U. and O. underwriters know the subject very well, but his error is typical of the confusion and obfuscation that have prevailed.

The Foster book has two great merits, brevity and clearness. The lantern slides which are reproduced not only save whole chapters that would have to be devoted to explantions, but they

(CONTINUED ON PAGE 33)

WHOLESALE GROCERS ARE URGED TO PREVENT FIRES

EDUCATIONAL WORK NEEDED

Report of Committee Stresses Point That Prevention Must Remain Matter of Individual Responsibility

That some trade organizations at least show an interest in fire prevention, the subjoined report to the National Wholesale Grocers' Association at its annual convention at Omaha last week affords concrete evidence. As chairman of the association's committee on fire prevention, C. A. Perlitz reported: "The work of the committee has, during the year just passed, as in previous years, remained of necessity largely educational. The committee has endeavored to gather and pass on to wholesale grocers information regarding fire losses in our trade, modern methods of prevention and other information of a similar nature. The committee urges that each wholesale grocer designate some responsible executive whose particular duty and responsibility it will be to avoid carelessness and unnecessary hazards that result in disastrous fires, which we all know cannot be insured against fully.

"This association through its committee has participated in national fire prevention week and has kept in close touch with developments in this field generally. Statistics have been gathered and published and timely warnings issued periodically. In the last analysis, however, fire prevention must remain largely a matter of individual responsibility, and your committee repeats its recommendation that individual houses can best protect themselves by assigning the responsibility for modern protection against fire losses to some one person in each concern."

INTEREST MANIFESTED IN COMMERCIAL UNION

KOECKERT IS A STRONG MAN

English Group Now Has Extensive Interests on This Side of the Atlantic

NEW YORK, July 6.—Insurance men were interested in the announcement last week that Whitney Palache, United States manager of the Commercial Union group, would be succeeded Sept. 1 by Fred W. Koeckert, assistant manager. General Manager Lewis has been in this country for some weeks looking over the situation and preparing for the change. A. J. Makins of the London office, who becomes assistant manager, has been in this country since March going over the business thoroughly and becoming acquainted with its various aspects. He has visited a number of countries for his company but this is his first direct experience here. Mr. Lewis will remain in the country a couple of weeks more before sailing for the other side.

Has a Large Organization

The Commercial Union has a large organization on this side of the water, and is growing more and more prominent. Affiliated with it are the Ocean Accident & Guarantee and the Columbia Casualty.

The first intimation of the impending change was prior to the meeting of the National Board when Mr. Palache announced that he would not serve as president. Inasmuch as he had come up through the ranks to the very door of the presidency, the announcement was somewhat startling. Then it became known that Mr. Palache was on the eve of retiring and the presence of General Manager Lewis in the country gave backing to the report.

The Commercial Union of London last year had nearly $11,250,000 in premiums. Its incurred loss ratio was 52 percent and its expense ratio 39 percent. This of course made a very favorable showing. The premiums of its associated companies last year were as follows: Commercial Union of New York, $1,947,898; American Central, $5,408,056; Palatine, $3,320,839; Union of England, $2,242,371; California, $2,833,917. The premiums of the Ocean Accident & Guarantee last year were $16,365,172, and the Columbia Casualty $5,954,862. It can be seen, therefore, that the Commercial Union interests in this country are extensive and large.

Koeckert a Forceful Man

Mr. Koeckert has long been regarded as a man of forceful and engaging personality. As a contact man he has no superior. Mr. Koeckert had a good schooling in the field with the old Phenix of Brooklyn and its successor, the Fidelity-Phenix Fire. He was educated as an assistant manager of the Fidelity-Phenix at Chicago by Charles R. Street, who was then manager. During the time he was western manager of the Continental he grew rapidly in stature and attracted the attention of Henry Evans, the president of the America Fore organization. When he became the right hand man of Mr. Evans in the underwriting department in New York, Mr. Koeckert was still far below the age of men holding positions of so great responsibility. But he measured up to every responsibility placed on him.

When Mr. Palache retires he will return to California to reside. He is a native of the state and lived there until 1913, when he was made vice-president of the Hartford Fire. His attachment, therefore, to the coast is strong.

Fix N. F. P. A. Convention Date

Atlantic City has been chosen as the place and May 7-10, 1928, as the time for the next annual convention of the National Fire Protection Association.

CONDENSED NEWS OF THE WEEK

Fred S. James, head of Fred S. James & Co., of Chicago and New York, is dead. **Page 7**

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Underwriters studying development of aerial transportation and accompanying hazards and preparing to handle business to satisfaction of all concerned. **Page 7**

* * *

Much interest in the announcement of the appointment of Fred W. Koeckert as United States manager of the Commercial Union succeeding Whitney Palache. **Page 8**

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Comparative figures on business in Western Union territory last year. **Page 9**

* * *

Illinois Field Club holds annual meeting at Nippersink Lodge, Wis. **Page 12**

* * *

Michigan field clubs hold their annual meeting at Port Huron. **Page 12**

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R. P. DeVan, member of the National association executive committee, approves single interest policy for automobile finance business in address to Kentucky agents. **Page 8**

* * *

Vice-President Bament of Home of New York, gives interesting reminiscences in talk to Michigan field men. **Page 10**

Central western field clubs report success in the cooperative collection system. **Page 16**

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Occidental Indemnity of San Francisco is organized by officials of Fireman's Fund. **Page 35**

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Supplemental report on coal mine compensation situation will be submitted to executive committee of Insurance Commissioners Convention at its Cincinnati meeting. **Page 35**

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Companies are expected to carry fight against decrease in compensation rates in Kansas into the courts. **Page 36**

* * *

New York Indemnity retires from a number of insurance organizations. **Page 38**

* * *

Casualty officials are studying the disturbing loss experience of last year. **Page 35**

* * *

Travelers discontinues writing life indemnity under its accident policy. **Page 35**

* * *

Plate glass departments of companies give serious consideration to revision plan of Vice-President Moray of the Hartford Accident & Indemnity. **Page 36**

* * *

Organization of casualty companies to contest "fake" claims is proposed. **Page 38**

Premiums and Losses in Western Field

TOTALS FOR 1926 AND 1925 FOR STATES COMPRISING "WESTERN UNION TERRITORY," COMPILED FROM ADVANCE SHEETS OF THE "ARGUS COMPARATIVE CHARTS" FOR 1927

Fire and Lightning Business Only

WESTERN UNION COMPANIES

	1925 Net Prems. Written	1925 Net Loss Incurred	1926 Net Prems. Written	1926 Net Loss Incurred
Aetna	$ 8,514,776	$ 5,388,769	$ 8,597,544	$ 4,977,920
Albany	135,979	71,809	142,416	52,022
Alliance, Pa.	844,826	476,098	848,668	460,290
American Alliance	373,858	227,435	690,815	307,072
American Central	1,738,207	996,845	1,797,436	1,048,505
American Eagle	1,250,992	743,743	1,238,882	910,268
American National	120,254	74,299	153,806	81,260
American Union	56,140	15,362	101,583	17,715
Atlas Assurance	1,056,931	631,837	1,112,679	588,373
Atwood	20,908	9,684	34,005	6,027
Automobile	4,061,135	3,037,173	2,507,218	2,517,035
Caledonian	630,258	399,244	638,947	359,428
Caledonian-American	88,187	40,181	91,624	45,151
California	362,107	195,370	385,220	222,048
Carolina	40,344	6,145	69,132	18,962
Central, Md.	.....	.....	31,491	2,386
Chicago F. & M.	727,069	427,733	389,776	230,955
Citizens, Mo.	1,146,521	704,660	1,061,095	562,068
City of New York	648,876	451,044	749,870	389,442
Columbia, N. J.	153,762	74,698	203,515	104,316
Commerce	254,552	136,470	372,125	154,787
Commercial Union, England	2,514,911	1,343,974	2,438,431	1,335,239
Commercial Union, New York	488,258	257,841	476,478	273,027
Commonwealth, N. Y.	775,026	345,885	807,917	293,535
Connecticut Fire	2,501,753	1,450,912	2,464,479	1,230,324
Continental	6,273,294	3,843,015	6,004,772	3,547,685
County	292,012	158,383	300,275	133,554
Delaware	116,595	39,509	158,798	58,975
Detroit F. & M.	669,473	366,659	816,479	368,288
Detroit National	86,212	49,032	90,018	41,846
Dixie Fire	83,340	56,850	191,165	110,105
Eagle Fire, New York	109,601	45,212	96,542	44,087
Eagle, Star & British Dominions	810,557	431,862	854,402	412,222
Employers Fire	318,644	178,216	442,386	188,826
Equitable F. & M.	500,345	285,835	490,440	243,182
Excelsior, N. Y.	.....	.....	15,631	5,972
Federal, N. J.	330,555	225,730	.....	.....
Federal Union	282,243	102,096	180,706	129,591
Fidelity-Phenix	5,013,819	3,020,652	4,985,671	2,935,841
Fire Association	1,878,306	1,075,569	2,759,881	1,451,833
Fireman's Fund	3,249,277	1,794,984	3,449,493	1,598,653
First American	88,660	48,449	229,758	127,952
Franklin	1,378,836	972,029	1,508,166	1,004,051
Franklin National	6,560	6	93,479	21,709
General, Paris	126,071	149,780	75,224	55,925
Georgia Home	32,917	34,254	40,885	30,386
Glens Falls	1,977,636	1,135,265	1,994,564	919,645
Granite State	315,509	193,474	359,717	163,300
Great American	5,403,287	3,354,969	5,369,067	2,686,349
Hanover Fire	1,649,669	926,333	1,501,541	592,488
Harmonia	.....	.....	21,531	2,190
Hartford Fire	15,302,873	8,484,164	10,084,801	5,320,322
Home, New York	9,842,186	6,286,887	9,653,667	4,955,025
Home F. & M.	495,524	247,970	590,914	246,180
Homestead	.....	.....	8,912	300
Hudson	549,956	319,066	621,168	341,691
Imperial	221,041	113,863	277,847	124,744
Insurance Co. of North America	6,592,931	3,663,075	6,887,747	3,668,998
Iroquois Fire	52,273	2,969	31,002	3,088
LaFayette	13,558	7,791	10,838	6,692
La Salle	.....	.....	3,031	.....
Law, Union & Rock	297,268	111,585	331,117	123,792
Liverpool & London & Globe	3,550,558	2,074,740	2,848,919	1,569,752
London Assurance	1,153,647	680,990	1,140,659	540,664
London & Lancashire	1,220,969	541,304	1,152,615	540,319
London & Provincial	82,439	36,209	89,512	45,890
London & Scottish	147,433	91,096	232,621	124,577
Manhattan F. & M.	123,641	55,337	177,353	72,520
Maryland	.....	.....	68,704	28,785
Massachusetts F. & M.	127,267	57,460	220,367	94,185
Mechanics & Traders	436,805	232,807	499,933	206,924
Mercantile of America	793,087	394,119	842,850	315,584
Mercury	202,715	38,000	365,667	164,571
Michigan F. & M.	586,803	362,524	620,249	364,862
National American	144,120	58,867	295,759	126,360
National Fire, Conn.	6,475,944	3,641,593	6,742,118	3,324,729
National Security	157,123	96,945	304,580	141,326
Newark Fire	803,932	457,734	873,732	441,053
New Hampshire	1,672,254	1,017,159	1,762,528	893,444
New York Underwriters	.....	.....	3,818,598	2,355,668
New Zealand	87,109	70,864	44,817	14,309
Niagara Fire	2,816,215	1,402,081	2,754,692	1,420,371
North British & Mercantile	2,578,403	1,177,094	2,602,996	1,038,802
North Carolina Home	53,501	18,296	64,992	20,013
Northern Assurance	1,806,753	1,290,230	1,958,835	1,094,140
Northwestern F. & M.	832,104	500,805	826,729	396,929
Norwich Union	969,518	699,883	908,719	487,515
Orient	1,180,097	491,683	1,170,378	521,965
Palatine	880,052	582,911	838,183	496,252
Patriotic	293,851	145,708	280,156	143,065
Pennsylvania Fire	1,894,736	872,472	1,849,015	764,427
Philadelphia F. & M.	316,672	200,864	324,662	221,287
Phoenix, Hartford	4,123,831	2,414,469	4,073,352	2,099,272
Phoenix, England	996,656	555,799	1,038,280	501,725
Preferred Risk	68,886	27,964	102,449	41,948
Presidential F. & M.	398,180	242,135	129,918	111,443
Providence-Washington	1,201,701	654,755	1,241,369	649,746
Provident Fire	7,242	9,203	31,515	13,871
Queen of America	2,299,077	1,497,056	2,109,339	1,036,654
Reliance, Pa.	510,041	261,233	279,095	132,745
Retailers, Okla.	53,666	37,632	93,261	40,694
Royal	3,875,187	2,473,360	3,569,153	1,964,247
Royal Exchange	792,020	442,315	810,405	393,161
Safeguard	233,945	127,026	240,676	96,916
St. Paul F. & M.	3,886,534	2,009,521	3,948,425	1,902,578
Scottish Union & National	1,267,385	727,233	1,305,015	649,686
Sentinel	27,547	5,994	89,979	27,354
South British	33,181	27,064	12,121	5,501
Springfield F. & M.	4,894,014	2,731,804	5,189,521	2,537,595
Standard, Conn.	374,935	166,037	353,869	198,288
Standard, New York	80,359	45,412	95,901	45,909
Star of America	569,972	332,450	536,035	290,096
State Assurance	261,835	149,168	281,835	194,550
Sterling	372,413	216,383	.....	.....
Sun Insurance Office	1,305,826	806,065	1,344,135	618,060
Svea F. & L.	506,244	335,076	573,748	337,978
Tokio M. & F.	478,916	383,869	382,512	233,112
Trancontinental	.....	.....	124,979	41,133
Travelers	390,716	52,381	1,856,323	628,644
Twin City	1,234,526	767,232	1,345,932	778,607
Union, Canton	537,838	311,519	462,764	279,655
Union, England	489,263	300,029	528,916	375,832
Union, Ind.	93,426	54,728	98,642	49,321
United Firemens	230,251	87,162	280,282	104,806
Urbaine	1,387,769	800,013	1,558,345	933,261
Victory	431,334	247,012	273,769	172,534
Virginia F. & M.	245,959	158,281	269,424	158,040
Westchester Fire	2,449,766	1,758,906	2,239,643	1,536,602
Western, Kan.	.....	.....	9,583	4,104
World F. & M.	246,618	131,476	388,069	197,787
Yorkshire	565,128	396,970	663,917	387,578
Total	$161,188,183	$ 94,807,151	$161,550,121	$ 85,594,993

WESTERN INSURANCE BUREAU COMPANIES

	1925 Net Prems. Written	1925 Net Loss Incurred	1926 Net Prems. Written	1926 Net Loss Incurred
Abeille	$ 183,104	$ 121,804	$	$ .....
Agricultural	1,286,133	681,308	1,438,226	708,714
Allemannia	644,745	336,740	641,122	342,275
American, Newark	4,978,263	2,959,742	5,075,973	2,641,289
Baltimore American	204,031	66,348	291,804	130,903
Boston	1,606,327	1,077,190	1,694,961	948,019
British America	423,102	265,076	408,612	210,727
Buffalo	903,889	405,477	952,747	442,655
Camden	1,167,365	822,289	1,231,346	702,664
Central Federal	52,152	21,729	86,849	59,530
City, Sunbury	—3,388	7,379	11,996	9,584
Columbia, Ohio	145,196	51,598	162,557	70,697
Columbian National	405,221	196,120	442,383	160,978
Concordia	1,605,249	893,409	1,275,876	773,260
Dubuque F. & M.	1,074,692	461,509	1,060,283	429,754
East & West	212,655	95,202	241,189	87,801
Eureka-Security	445,845	168,418	456,044	189,738
Farmers, Pa.	269,990	173,315	315,734	175,476
Firemen's, Newark	2,216,191	1,285,724	2,603,404	1,366,606
Girard F. & M.	615,109	346,008	649,678	334,698
Globe, Pa.	277,209	145,530	263,092	114,503
Great Lakes	167,434	83,296	163,031	65,799
Guaranty Fire, R. I.	46,430	4,179	187,391	60,394
Insurance Co. State of Pa.	1,233,960	794,955	1,234,539	746,445
Marquette National	291,255	189,734	.....	.....
Mechanics, Pa.	730,332	339,548	892,668	470,962
Merchants, Colorado	228,617	104,238	230,024	88,006
Merchants, R. I.	406,837	185,264	364,498	265,304
Millers National	811,970	656,726	851,467	594,967
Milwaukee Mechanics	2,220,814	1,069,637	2,203,657	940,935
National-Ben Franklin	1,094,013	593,236	1,048,759	641,951
National Liberty	2,488,118	1,200,925	2,645,120	1,366,636
National Reserve	551,956	192,893	552,882	204,822
National Union	2,365,520	1,627,278	2,388,232	1,493,749
Netherlands	203,306	123,293	155,422	116,990
North River	1,822,347	945,489	2,031,102	1,053,626
Northwestern National	1,608,342	616,679	1,745,695	589,645
Ohio Farmers	1,678,551	1,069,507	1,329,610	840,138
Old Colony	499,201	376,818	485,611	226,222
People's National	271,609	125,618	353,017	164,322
Reliable, Ohio	193,124	77,635	204,780	73,947
Republic, Pa.	332,261	245,845	344,664	199,920
Rhode Island	1,039,507	650,817	1,086,002	646,209
Richmond	162,598	70,248	158,991	59,784
Security, Iowa	436,566	192,093	389,245	196,739
Security, Conn.	2,425,016	1,386,378	2,414,656	1,179,130
Standard, N. J.	370,826	156,915	407,650	171,786
Standard American	195,391	61,586	128,177	57,596
Superior	537,511	421,380	703,960	406,093
Union, Buffalo	13,164	7,695	14,474	16,957
Union, Paris	424,292	309,014	451,945	312,659
United American	138,468	64,079	138,854	51,144
United States	2,958,203	1,972,882	3,189,575	1,734,144
U. S. Merchants & Shippers	309,942	212,795	289,689	166,818
Western Assurance	502,363	373,540	466,306	295,837
Wheeling Fire	133,795	65,137	149,025	66,014
Total	$ 47,606,719	$ 27,159,267	$ 48,706,494	$ 25,405,557

NON-AFFILIATED COMPANIES

	1925 Net Prems. Written	1925 Net Loss Incurred	1926 Net Prems. Written	1926 Net Loss Incurred
American Druggists	$ 223,248	$ 91,195	$ 161,702	$ 54,981
American Equitable	524,510	321,459	514,275	213,218
American General	61,522	32,632	.....	.....
Assurance Co. of America	231,474	149,922	.....	.....
Bankers & Shippers	392,658	246,896	467,310	285,346
British General	254,743	166,500	127,128	73,947
Capital, N. H.	—7,011	11,424	.....	.....
Century	277,147	157,132	101,944	65,417
Equity	61,758	6,937	124,527	79,251
Excelsior	1,752	318	.....	.....
Federal F. & M.	18,110	12,514	8,276	6,706
Fidelity Union	77,806	22,679	24,969	49,207
General, Seattle	224,643	70,926	359,119	165,613
Globe & Rutgers	3,477,784	2,847,083	4,183,594	2,501,495
Hamilton	36,050	50,702	44,591	31,085
Hampton Roads	65,212	54,500	52,567	44,316
Home, Little Rock	8,733	6,820	9,234	4,685
Illinois Fire	147,183	58,117	168,328	54,056
Illinois Travelers Home	9,026	2,313	97,537	36,462
Importers & Exporters	359,282	292,673	564,054	268,245
Independence	31,070	5,236	84,589	20,194
Indiana	145,342	62,495	55,266	30,077
Industrial, Ohio	139,874	125,531	168,902	107,008
Iowa Fire	110,007	49,892	155,107	63,086
Iowa National	137,218	71,146	128,581	63,621
Knickerbocker	59,137	51,489	52,644	53,277
Liberty, Ky.	36,553	4,234	34,085	5,899
Liberty Bell	16,648	16,812	42,850	32,475
Lumbermen's, Pa.	127,676	26,094	277,014	76,267
Merchants, Ind.	118,930	44,951	48,810	16,585
Merchants, N. Y.	993,616	536,593	1,080,598	430,997
Minnesota Fire	80,001	25,268	69,766	85,411
New Brunswick	254,511	142,822	258,899	114,712
New Jersey	320,682	159,534	267,406	159,054
New York Fire	20,612	5,502	83,397	20,614
Northern, N. Y.	1,046,633	571,200	1,274,998	585,776

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(CONT'D FROM PRECEDING PAGE)

Pacific Fire	321,888	206,136	364,378	195,771
Palmetto	4,146	1,186	13,826	10,878
Pioneer, Ill.	12,625	8,021	71,427	5,077
Potomac	75,143	48,417	164,889	49,254
Rocky Mountain	110,203	79,751	1,565	2,906
Savannah	22,173	13,290	35,372	17,525
Southern Home	167,104	139,133	187,909	122,256
South Carolina	12,999	9,663	15,974	9,571
Stuyvesant	434,915	429,490	454,195	303,841
Utah Home	69,794	50,092	60,052	31,726
Washington, N. Y.	47,873	4,106	58,821	13,619
Wolverine, Mich.	7,929	3,260	8,443	17,725
Total	$ 11,370,932	$ 7,494,187	$ 12,536,918	$ 6,580,232

Comparison of Aggregates for Five Years

A COMPARISON OF THE FIGURES SHOWN IN THE TABLE AND THOSE FOR THE PRECEDING THREE YEARS GIVES THE SUBJOINED INTERESTING RATIOS

AGGREGATE BUSINESS—ALL COMPANIES

	No. of Co.'s	Premiums	Losses	Ratio %
1922	216	$ 187,013,425	$ 107,944,757	57.70
1923	225	209,391,326	112,488,603	53.81
1924	222	204,341,638	120,925,033	58.89
1925	226	220,165,834	129,460,605	58.81
1926	227	222,793,533	117,580,782	52.77
Total five years	...	$1,043,703,756	$ 588,399,780	56.37

Classifying all companies not affiliated with the Western Union as non-union, the following results are shown:

UNION COMPANIES

	No. of Co.'s	Premiums	Losses	Ratio %
1922	109	$ 141,952,704	$ 81,428,939	57.38
1923	117	157,590,559	85,636,647	54.34
1924	119	150,717,233	90,727,715	60.20
1925	122	161,188,183	94,807,151	58.81
1926	129	161,550,121	85,594,993	52.36
Total five years	...	$ 772,998,800	$ 438,195,445	56.72

NON-UNION COMPANIES

	No. of Co.'s	Premiums	Losses	Ratio %
1922	107	$ 45,060,721	$ 26,515,818	58.88
1923	108	51,700,767	26,851,956	51.93
1924	103	53,624,405	30,197,318	56.33
1925	104	58,977,651	34,653,454	58.75
1926	98	61,243,412	31,985,789	52.23
Total five years	...	$ 270,606,956	$ 150,204,335	55.62

BUREAU COMPANIES

	No. of Co.'s	Premiums	Losses	Ratio %
1922	63	$ 35,464,625	$ 20,687,766	58.43
1923	66	42,521,044	21,173,832	49.80
1924	58	44,168,360	23,812,958	53.91
1925	56	47,606,719	27,159,267	57.05
1926	54	48,706,494	25,405,557	52.16
Total five years	..	$ 218,467,242	$ 118,239,380	54.13

A comparison of the combined business of Union and Bureau companies with that of the non-affiliated companies, shows as follows:

UNION AND BUREAU COMBINED

	No. of Co.'s	Premiums	Losses	Ratio %
1922	172	$ 177,417,329	$ 102,116,705	57.55
1923	182	200,111,603	106,810,479	53.40
1924	177	194,855,593	114,540,673	58.25
1925	178	208,794,902	121,966,418	58.41
1926	183	210,256,615	111,000,550	52.85
Total five years	...	$ 991,436,042	$ 556,434,825	56.12

NON-AFFILIATED COMPANIES

	No. of Co.'s	Premiums	Losses	Ratio %
1922	44	$ 9,596,096	$ 5,828,319	60.73
1923	43	9,179,723	5,678,124	61.85
1924	45	9,456,045	6,384,360	67.51
1925	48	11,370,932	7,494,187	65.90
1926	44	12,536,918	6,580,232	52.48
Total five years	...	$ 52,139,714	$ 31,365,222	60.05

From the totals of each classification and the aggregates of all companies included in the table are drawn the following percentages:

PERCENTAGE OF AGGREGATE PREMIUMS

	1922	1923	1924	1925	1926	5 Yrs.
Union Companies	75.91	75.29	73.75	73.27	72.51	74.06
Non-Union Companies	24.09	24.71	26.25	26.73	27.49	25.94
Bureau Companies	18.96	20.31	21.61	21.63	21.86	20.93
Union and Bureau Combined	94.87	95.60	95.36	94.90	94.37	94.99
Non-Affiliated Companies	5.13	4.40	4.64	5.10	5.63	5.01

PERCENTAGE OF AGGREGATE LOSSES

	1922	1923	1924	1925	1926	5 Yrs.
Union Companies	75.46	76.13	75.60	73.23	72.79	74.47
Non-Union Companies	24.54	23.87	24.40	26.77	27.21	25.53
Bureau Companies	19.16	18.82	19.79	20.97	21.68	20.09
Union and Bureau Combined	94.62	94.95	95.39	94.20	94.47	94.56
Non-Affiliated Companies	5.38	5.05	4.61	5.80	5.53	5.44

New Iowa Deputy Commissioner

W. S. Dulaney, policy examiner in the Iowa insurance department at Des Moines, has been appointed second deputy insurance commissioner, a position created by the last Iowa legislature, at the suggestion of Commissioner Ray Yenter. L. M. Penquite, a Colfax attorney, succeeds Mr. Dulaney as policy examiner. Mr. Dulaney is a graduate of Drake university law school.

James H. Carter has been elected vice-president and treasurer of the Armstrong-Roth-Cady Company, local agents of Buffalo, N. Y.

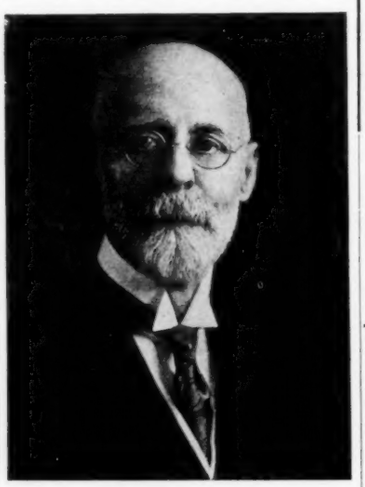
INTERESTING INCIDENTS IN LONG CAREER AS ADJUSTER RELATED BY W. N. BAMENT

W. N. BAMENT, vice-president of the Home of New York, probably the dean of American adjusters and recognized as one of the outstanding authorities in that field, in a reminiscent talk before the field men of Michigan last week at Port Huron, reviewed the development of insurance generally, and more specifically in the United States, taking up also the origin of state supervision of insurance and the necessity for it.

"In 1860 the New York insurance department was founded," he said. "It was the first department of its kind and the father of all the other state insurance departments. Every state now has an insurance department to see that the companies which are permitted to operate are solvent."

Story of Early Days

One example of the practical effect of state supervision and another of the lack of it were related by Mr. Bament. "Sixty years ago," he said, "a general agent operating throughout the west had an agreement with his company for $2,000 per year and 10 percent of the net profits. His income increased until he was able to make between $40,000 and $50,000 a year. One day one of his adjusters asked for a three-months leave of absence, which was granted. But while the adjuster was absent the general agent discharged him. Later the general agent, refusing to accept a different proposition which would lower his income, organized three companies of his own.



W. N. BAMENT
Vice-President Home of New York

"In October, 1871, Mrs. O'Leary's cow, which, by the way, has now been completely exonerated, was accused of one of the greatest conflagrations of all times, in which $100,000,000 worth of property was burned and every insurance company either ruined or seriously crippled.

"Of course, the fire companies of the former general agent were hard hit. The discharged adjuster now turned the tables. For he was now a state superintendent of insurance. He ordered an examination of the companies, closed two of them and ordered the third to reduce its capital. Thus, the career of one of the greatest of general agents was ended.

History of Colorado Company

"Some time in the '70s a man by the name of Carson, state agent of the Commercial Union, was in Denver. There he met an individual who proposed that he go into partnership with him in the insurance business. The man's name was Sylvester Jones. He proposed that they start an insurance company and when Mr. Carson asked him about the capital he said he had $7.50 and that he needed $25 to start the company. He wanted Carson to give him $17.50, in order that they might get the applications printed and send them out to the agents so that they could immediately begin to write business. Then with the premiums they received they would have more application blanks printed and sent out to the other agents. This procedure would be kept up and soon they would have an insurance company. Of course, Mr. Carson refused to go into any such fly-by-night schemes and he lost track of Sylvester Jones for some time.

Scheme Worked Well

"Three years later in Denver he met an elegantly dressed gentleman, with kid gloves and top hat, who was none other than Sylvester Jones. 'Come with me,' he said, and he took Mr. Carson into his private office, which was as fine a one as he had ever gazed upon. The scheme evidently had worked. Asked if he had any losses, he pointed to a stack of papers three feet high in the corner. 'There are the losses,' he said, and there they lay. Sylvester Jones proudly took out his bank book and showed deposits in the bank of $60,000 and said that he was soon going to quit.

"Such was the history of the Colorado Insurance Company of the '70s and '80s, one of the wildest of wild-cat insurance organizations. It was never known to pay a loss.

Resourcefulness Needed by Adjuster

"In the insurance business," Mr. Bament continued, "the losses outweigh all other elements. The first qualifications of an adjuster are his character and his resourcefulness."

Mr. Bament then told a story of Henry S. Durant, who was one of the prominent adjusters in the late '70s and '80s. John Sturm was the owner of a hotel which was old and dilapidated. In course of time it burned to the ground. Mr. Durant asked him to present a list of the articles destroyed with a valuation of their worth at the time of destruction. In due course Sturm presented a long roll of foolscap upon which was a list of his hotel furnishings and his valuation of them. According to his valuation, everything in the hotel was almost new. According to Sturm, he had $4,000 worth of goods and his insurance was only $2,000.

"Here is the kind of a situation which calls for an adjuster with resourcefulness and Mr. Durant had it," said Mr. Bament. "Durant told Sturm that it was customary to foot such bills. 'What do you say we foot this,' he asked, '$100 a foot?' The roll was 14½ feet long, so he paid a loss of $1,450.

Adjuster Always at Disadvantage

"The adjuster is always at a disadvantage no matter how resourceful he may be. After a loss, things become suddenly very valuable and become unreplaceable and priceless.

"There was once a preacher in Indiana who had a wife and baby daughter. They had household effects which were the result of over 25 years of accumulations. This preacher placed very high valuations upon everything and justified them by saying that the goods were just as good as new and worth just as much as he had paid for them. Here was another case where quick wit and resourcefulness on the part of the adjuster were necessary. So the adjuster picked up the preacher's Bible and asked the preacher what he paid for it. When the preacher replied that he had paid $10, the adjuster said: 'This must be just as good as new and hardly used at all, just as the rest of your goods, and you will want $10 for this too, I suppose.'

"Coinsurance is the most important insurance development in the last 40

(CONTINUED ON PAGE 34)

Michigan Fire & Marine Ins. Co.
New England Fire Insurance Co.

Are now affiliations of the "Springfield" organization. Any member of this strong group will prove a valuable and dependable asset to your agency.

Springfield
Fire & Marine Ins. Co.

Constitution
Underwriters Department

Sentinel
Fire Insurance Co.

Michigan
Fire & Marine Ins. Co.

New England
Fire Insurance Co.

Springfield Fire & Marine Ins. Co.

Springfield, Mass.

GEORGE G. BULKLEY, President

ILLINOIS FIELD CLUB HOLDS ANNUAL MEETING

Noteworthy Talks on Interesting Subjects Feature Program at Gathering

ATTENDANCE WAS LARGE

President John B. Tetlow Offers Some Constructive Suggestions for Improvement of Fire Insurance

NEW FIELD CLUB OFFICERS

President, John T. Harding, Millers National.
Vice-President, A. H. Knight, National Liberty.
Secretary, J. L. Hon, Crum & Forster.
Treasurer, Carl A. Hoest, Girard Fire & Marine.

A number of noteworthy addresses on interesting subjects were delivered at the annual meeting of the Illinois Field Club held Wednesday and Thursday of last week at Nippersink Lodge near Genoa City, Wis. The Field Club and State Board held no joint meeting this year as has been the custom in the past, and as a consequence the Field Club made a special effort to arrange a particularly attractive program and succeeded in staging an annual meeting very much above the average. The attendance was good, there being 62 present. John B. Tetlow of the American presided throughout the sessions as president.

Erion Gives Address

On the first day there was an address on use and occupancy insurance by Frank L. Erion, well known Chicago adjuster. Fred W. Sullivan of the Firemen's group submitted his report as chairman of the committee on publicity and education. In his annual presidential address Mr. Tetlow made a few observations on the duties and responsibilities of the field man. In commenting upon the underwriting policies being pursued by some companies today, Mr. Tetlow said:

Need Intelligence in Underwriting

"But the field men are not exclusively, nor even principally, chargeable with the failure to adapt themselves to the new order. It seems to me that a company should follow a consistent course in its underwriting and not be influenced by every wind that blows. I think that agents, as well as special agents, are more disturbed by a weather-vane policy than anything else. We have a few losses and then conclude that the business is going to the demnition bowwows so far as that particular class is concerned. We stretch our lines to the breaking point and then go to a more conservative basis. I think the need of the day is for a stable, consistent, year-in-and-year-out policy of underwriting that will not be disconcerting alike to field men and agents. In short, intelligent underwriting is the great need. A local agent likes to go along over a level road and not have so many changes and it has sometimes seemed to me that there are far too many upheavals so far as companies are concerned."

Groups Must Act Wisely

In discussing cooperation among field men Mr. Tetlow said: "I believe it is hardly open to question that in the past we have had fortunate illustrations of capable, broadminded cooperation on the part of field men. Outrageous taxation programs have been defeated through team work and adverse legislation has been forestalled. It is constantly urged that men must act in groups and through organizations to accomplish anything. The difficulty is not to get men to act in groups and through organizations, but to have groups and organizations act properly and wisely by reason of the individual force and independent strength of their members.

Leaders Exploit Members

"Groups and organizations constantly tend to represent the influence and power of one man or a few men who are followed not because they are right but because they lead, and who maintain themselves not so much by the propriety and worth of leadership as by their skill and acumen in availing themselves of the indifference of others. This is illustrated in all forms of associations and to the extent that it exists, the association loses its strength and capacity to accomplish the results for which it is intended. If any organization comes into the strong control of the few by reason of the indifference and subservience of the many, the form is retained without the substance and the benefits of cooperative action are lost."

Recommends Closer Cooperation

R. C. Sherman of Waukegan, Ill., who is now a local agent but was formerly in the field in Illinois, was the first speaker on the second day. Mr. Sherman made a plea for a closer cooperation among all classes of companies, saying that where there is not harmony between companies the local agent is usually the goat. Mr. Sherman said that he was confident that before long the companies, of whatever affiliation, would cooperate more closely in conducting every phase of the business.

Raymond T. Nelson of the Chicago Board discussed the policy contract. Mr. Nelson said that most agents compete for business on the basis of rate rather than an ability to provide adequate coverage. Mr. Nelson contended that a better understanding of the policy contract will enable agents to serve their clients more intelligently and satisfactorily without necessarily reducing rates.

Discusses Pyroxylin Hazards

Harry K. Rogers, "the fire clown" of the Western Actuarial Bureau, spoke briefly on fire prevention. R. L. Rumbaugh, assistant manager of the Western Sprinklered Risk Association, discussed pyroxylin lacquer hazards and the ability of modern sprinkler systems to extinguish or control them. Mr. Rumbaugh said that it is the task of sprinklered risk experts to devise ways and means to help manufacturers safeguard themselves against this new hazard which is becoming widespread. Mr. Rumbaugh said that modern metal spray booths must be provided where pyroxylin lacquers are used, located preferably outside of the main plant in a fire resistive building. If this is not possible they should be located near an outside wall where the exhaust fans can be discharged to the open air through as short a pipe as possible. Floors should be water-proofed so as to permit booths and ducts to be thoroughly washed out after each day's operations.

New Device Approved

Mr. Rumbaugh said that a pyroxylin lacquer fire cannot be extinguished by the present sprinkler system or chemicals. This being the case the problem is to evolve means of preventing such fires rather than to attempt to extinguish them, because once such a fire is started nothing short of a miracle can stop it. Mr. Rumbaugh said that explosions or fires of this character burn so far ahead of the opening of the sprinklers that when the sprinklers are finally open the fire is beyond control. He stated that there is a device which has the approval of the Underwriters Laboratories, that is just coming into use for the protection of spray booths. It consists of a number of heat actuaters located at point to be protected. These in turn are connected with a small copper pipe which is run to a deluge valve installed in one of the sprinkler risers at some distance from the spray booths. A system of open heads, in addition to the automatic sprinklers is installed in the booths. A pipe of the proper capacity to supply the open sprinklers is run from them and connected to the deluge valve. The device is so sensitive that it reduces the time of the automatic sprinkler in getting water on the fire after it starts by about 85 percent.

Presidency Closely Contested

Others who spoke briefly were: Charles G. Cowper, manager for Crum & Forster; Frank Jones, manager of the Illinois Inspection Bureau; Earl S. Miller, manager of the Illinois Audit Bureau; Fred D. Hess, assistant western manager American, and Cyrus R. Chapman, superintendent of agencies of the Millers National. There was an interesting race for the presidency. The southern Illinois faction backed John E. Knapp of the Concordia and northern Illinois turned out for J. T. Harding of the Millers National. Mr. Harding polled 15 votes and Mr. Knapp 14. There was also a contest between W. E. Jowien of the Boston and J. L. Hon of the Crum & Forster group for secretaryship, Mr. Hon winning by a vote of 16 to 11.

Prizes Are Awarded

Dan L. Smith of the Milwaukee Mechanics and Miss Florence E. Cain, assistant secretary of the Field Club, tied for first place in the blind bogie that was held and A. H. Knight of the National Liberty received first prize, having a low gross of 99. Suitable prizes were awarded. Mr. Smith presented retiring President Tetlow with the usual presidential medal of the Field Club.

MICHIGAN FIELD MEN HEAR NOTABLE TALKS

Addresses of Bament, Livingston and Hubbell Big Features of Port Huron Meeting

TWO FIELD CLUBS ELECT

C. L. Allen Named to Head Union Organization and G. E. Stirling as President of Bureau Field Club

OFFICERS ELECTED BY MICHIGAN UNDERWRITERS ASSOCIATION

President, C. L. Allen, Aetna.
Vice-President, E. R. Chaufty, Fire Association.
Secretary-Treasurer, A. N. McDougall, Royal Exchange.

OFFICERS MICHIGAN FIELD CLUB

President, Guy E. Stirling, Columbian National.
Vice-President, Harry L. Ridenour, American of Newark.
Secretary-Treasurer, Stuart Morgan, Agricultural.

Addresses by W. N. Bament, vice-president of the Home of New York, and C. D. Livingston, Michigan insurance commissioner, and the intensely illuminating paper of Joseph G. Hubbell of the National Inspection Company were the headline features at the annual meetings of the Michigan Underwriters Association and the Michigan Field Club at Port Huron last week.

At the opening meeting J. P. O'Brien, president of the Michigan Underwriters Association, presided. This meeting was attended by both Bureau and Union field men. "Things Rates Won't Do" was the topic of Mr. Hubbell's paper, which was read by W. T. Benallack of the Michigan Fire & Marine in the absence of Mr. Hubbell, who was taken suddenly ill and was unable to attend the meeting. This address, which was of the same high quality that characterizes all of Mr. Hubbell's utterances, was published in last week's issue of THE NATIONAL UNDERWRITER.

Following the reading of that paper, Mr. Bament gave an inimitable, witty and "full of meat" talk on "Fire Insurance and Loss Adjustments." Mr. Bament characterized his address as partly historical, partly informative and partly of a lighter vein. Elsewhere in this issue is given a more complete report of his talk.

The attendance of the new Michigan insurance commissioner, C. D. Livingston, was hailed as a signal honor by the Michigan field men. Mr. Livingston has had a wide insurance experience and was, before becoming insurance commissioner, a field man in Michigan. He is the fifth oldest field man in point of service in that state.

"The insurance business is greater and better than ever," Mr. Livingston said. "The laws on books are good on life insurance and fair on casualty, but there have developed many new insurance systems over which the commissioner has no control due to the fact that there are no adequate laws on the books to take care of them." The reciprocals are of course the ones over which the commissioner has but little control.

Touches on Arson Situation

Touching on the arson situation the commissioner stressed the necessity of eliminating agents who write insurance on buildings, the owners of which are known to have an arson record. He said that the Detroit arson squad has his hearty support and that the taking over by his department of the supervision of the fire marshal's department would increase the effectiveness of that department in combating arson.

"There are probably more than 1,000 men in Detroit alone who are writing insurance who are not licensed in the state," Mr. Livingston continued. "There are also many instances of appointments of men who have large risks so that commissions may be split with them." This is a form of rebating, the commissioner said, and he added that he would do everything in his power to stop such practice.

Wants Law on Reciprocals

Reverting to his discussion on insurance laws, Mr. Livingston said that the well organized reciprocals realize that they must have better laws which will insure standardization of that class of carriers. They appreciate the fact that the poorly managed reciprocals are hurting their business and they are just as anxious as the stock companies that proper laws for reciprocals be placed in force. Mr. Livingston expressed the hope that the next legislature would enact a law which would enable him to put the reciprocals under control.

Mr. Livingston closed his remarks with an announcement that a new arson law which enables the state to convict a man of arson on the same circumstantial evidence which is used in a murder or other criminal case has just been passed by the Michigan legislature.

The field men paused a moment in silent reverence to the memory of Harry Wright, well known and prominent Port Huron local agent, who died a few weeks ago. Rudolph Belcher of the Western Insurance Bureau suggested that a suitable memorial be engrossed and presented to Mrs. Wright and a wreath placed on the grave of Mr. Wright. This suggestion was carried out.

Agency Balances Big Topic

The election of officers and the induction of new members was the chief business of both clubs at their Thursday morning meetings. At the Michigan Underwriters Association's meeting, Alfred E. Polsz, Hanover; C. E. Griffith, Jr., Travelers, and Walter E. Luchenbacher, Travelers, were made members. Frank Damon Row, Springfield Fire & Marine, who took over the duties of secretary-treasurer last January, acted as secretary of the meeting.

Delinquent agency balances again held the attention of the field men. This

GLOBE & RUTGERS

FIRE INSURANCE COMPANY

111 William St., New York City

January 1st, 1927

ASSETS

Bonds & Mortgages	$ 149,425.00
U. S. Liberty Bonds	518,200.00
Government, City, Railroad and other Bonds & Stocks	59,564,972.90
Cash in Banks and Office	2,434,964.77
Premiums in Course of Collection	8,827,461.77
Interest Accrued	111,020.32
Reinsurance Recoverable on Paid Losses	134,952.12
	$71,740,996.88

LIABILITIES

Capital	$ 3,500,000.00
Surplus	25,610,575.98
Reinsurance Reserve	21,162,599.90
Losses in Course of Adjustment	8,362,821.00
Commissions and other Items.	7,100,000.00
Reserve for Taxes	1,005,000.00
Reserve for Depreciation	5,000,000.00
	$71,740,996.88

Surplus to Policy Holders - $29,110,575.98

□ □ □

Progress since Consolidation in 1899

	ASSETS	RESERVE	SURPLUS
Dec. 31, 1899	**$529,282.59**	**$28,832.54**	**$2,028.94**
Dec. 31, 1910	**5,255,362.12**	**1,936,224.86**	**2,365,363.37**
Dec. 31, 1920	**42,765,374.55**	**16,593,764.16**	**11,361,311.89**
Dec. 31, 1925	**67,922,096.58**	**20,265,572.73**	**24,161,943.85**
Dec. 31, 1926	**71,740,996.88**	**21,162,599.90**	**25,610,575.98**

□ □ □

E. C. Jameson, *President*
Lyman Candee, *Vice President*
W. H. Paulison, *Vice President*
J. H. Mulvehill, *Vice President and Secretary*
J. D. Lester, *Vice President*
W. L. Lindsay, *Secretary*
A. H. Witthohn, *Secretary*
A. G. Cassin, *Assistant Secretary*
J. L. Hahn, *Assistant Secretary*
W. J. Volkmann, *Local Secretary*

topic has continued to hold the spotlight for the past year at most every field meeting. James F. Joseph of the Western Union outlined how successfully the plan was working in many of the states in which delinquent agency balance rules were in force. He pointed out the necessity of getting after the big men and making examples of them, rather than trying to clear up a few smaller agencies. Mr. Joseph's remarks were seized upon by the club and immediate action in a number of delinquent agencies seems evident.

E. A. Henne, secretary of the America Fore companies, was present and was called upon for a few remarks.

Michigan Field Club Meeting

At the Thursday morning meeting of the Michigan Field Club, the Bureau organization, Ray R. Dillon, National Ben Franklin, who has been transferred from Michigan to the Ohio field, was presented by the club with a high grade kodak. Harvey Patterson of the Western Sprinklered Risk Association was present at the meeting and gave an excellent address on the pyroxylin hazard.

Commissioner Livingston, who was himself one of the boys for many years, also attended the Field Club meeting. He told the field men that his department was at their service and would cooperate with them in solving the problem of delinquent agencies' balances. He pointed out that the commissioner had the authority under the qualification law to revoke the license of any agent who is delinquent. The withholding of insurance premiums amounts to a rebate and the commissioner said he had the authority to eliminate the agent guilty of such practices. This year's meeting of the Michigan Field Club was the best attended in its history.

Sport and Recreation Features

The meetings at Port Huron were well-balanced with a good program of sport and recreation. C. A. Dafoe, Commonwealth and Mercantile, and A. N. McDougall, Royal Exchange, carried off the trap shooting honors and Mrs. W. D. Cameron proved to be the champion at women's bridge. A baseball game was also scheduled for the afternoon; the game entered into an argument as to who had the most runs after the fourth inning. In the evening a colorful dinner-dance was held at which Mrs. Oscar D. Wiche was hostess.

The two-day meet was concluded with golf Thursday afternoon and a dinner, informal dancing and community singing in the evening. More than 100 insurance men attended the meetings.

Company Men on Hand

Among the many prominent company men and insurance men present at the meetings were W. P. Robertson, western manager of the Alliance; A. F. Powrie, western manager Fire Association; W. T. Benallack, agency superintendent Michigan Fire & Marine; J. F. Curtin, assistant secretary, Detroit Fire & Marine; James F. Joseph, Western Union; Rudolph Belcher, Western Insurance Bureau; George D. Muldaur, Underwriters Laboratories; Clarence J. Rich, Underwriters Adjusting Company; J. Harvey Patterson, Western Sprinklered Risk Association; W. N. Bament, vice-president Home of New York; R. E. Vernor, fire prevention department Western Actuarial Bureau, and R. D. Safford, Travelers Fire.

Chicago Patrol Meeting

The annual meeting of the Chicago Fire Insurance Patrol will be held July 14 in the Chicago Board rooms.

Under the direction of Frank C. McAuliffe, chief of the patrol, the organization has had a very satisfactory year, continuing to show an increase in efficiency in fire protection and salvage work. The past 12 months the patrol answered 14,000 fire alarms and spread more than 22,000 covers.

CHANGES IN THE FIELD

DUVAL GETS FOUR COMPANIES

Minnesota and Wisconsin State Agent of State of Liverpool Will Hereafter Handle Entire Fleet

W. H. Duval of Minneapolis, who has represented the State of Liverpool as its Minnesota and Wisconsin state agent for some time past, will henceforward serve the Royal Exchange, Provident and Car & General in the same capacity as well. All four companies are under the same general management in this country. The selection of Mr. Duval completes the rearrangement of the field staff of the allied offices, state agency appointments in all other territories, both east and west, having previously been effected.

James A. Aitken

Announcement is made by the Aetna of the appointment of James A. Aitken as superintendent of the inland marine department at the western department headquarters at Chicago, succeeding former Superintendent Harold G. White, announcement of whose resignation was recently made.

Superintendent Aitken has been special agent of the Aetna covering eastern Pennsylvania with headquarters at Philadelphia. He has had many years experience in both office and field work for the Aetna.

S. R. Walsman

The Millers Mutual Fire of Alton, Ill., announces the appointment of S. R. Walsman as special representative. He assumes his duties at once in the Illinois territory formerly covered by H. M. Lehmkuhl who resigned to take a position with the Universal Life of St. Louis.

Earl H. Jorgensen

Earl H. Jorgensen, formerly state agent of the Travelers Fire for Nebraska and Iowa, will on Aug. 1 reassume supervision of Iowa, Andrew C. Daley having resigned. Mr. Jorgensen will continue to maintain his headquarters at Omaha.

As assistant to Mr. Jorgensen, the company is transferring Charles E. Griffith Jr., special agent at Detroit to Des Moines.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

OFFERS "AD" COPY TO AGENTS

For the benefit of agents throughout the country, the National Board is preparing suggested copy for advertising and will supply matrices to local men without charge. In addition several series of cooperative advertising material prepared by the Hartford Fire have been placed at the disposal of the National Board to round out a copy service for agents. The matter prepared for use the rest of this year advertises the various services and functions of the local agent, with a view to increasing his prestige with the insuring public. That there is need for an intelligently conducted service of this character is attested by the large number of requests for copy already coming in from the field.

* * *

REPORTS ON SUN'S BUSINESS

In his annual report to the stockholders meeting Sir William H. Goschen, chairman of the Sun, gave the following figures on the company's business for the year: Fire loss experience generally was very favorable and improvement was noted particularly in the United States. Premium income in the fire line advanced £143,000, bringing the total net fire premiums to more than £2,500,000. Though the underwriting profit margin of 11.63 percent of premiums was somewhat lower than that for the previous year, it still must be regarded as very favorable. The actual volume of profit is the largest in the history of the company.

The chairman reported that during the year the company increased its personal accident business and showed a good margin of profit. It cut down on employers' liability. Regarding the company's experience in the United States the chairman said: "Our expectations with regard to United States casualty business have happily proved to be fully justified."

The report further said that during the year a substantial increase in premium income was made in the marine line, and that £28,655 was transferred to the credit of profit and loss account. This sum includes £20,000 of underwriting profits, the remainder being interest on marine funds. "On account of the increase in the business of the marine department," said the chairman, "we have decided to strengthen the reserves of the marine account, so that the amount of the fund at the end of 1926 approximates to the premium income for that year. In addition we have made provision of £61,000 outstanding losses."

* * *

LUDLUM GOES ABROAD

C. A. Ludlum, vice-president of the Home, plans sailing for Europe July 16. While abroad he will visit London, Paris and Berlin among other centers of interest.

* * *

THEATER OWNERS FILE PROTEST

The Theater Owners Chamber of Commerce has filed an appeal with the New York Fire Exchange for hearing on the rule recently adopted by the change that raises the rate on the contents of projection booths wherever located by an additional charge of 2 percent above the contents rate, whatever the rate may be. The theatrical men say that in view of this increase in the contents rate a compensating concession in the rates for the general contents of their theaters should be made. The introduction of the vitaphone in some of the motion picture theaters has greatly increased the value of the contents of the projection booth, and, therefore, a larger share of the total contents will come under the higher premium rate. It is expected that the exchange will arrange a conference with the theater owners in order that a fuller understanding of the situation may be arrived at.

* * *

NEW YORK CONDITIONS BETTER

Admitting that the material reduction in the fire loss record of New York City since the beginning of the year, as compared with the experience for the same period of 1926, is due in part to economic conditions, observing local underwriters yet hold that it is to a considerable degree the result of the extreme care now exercised in the selection of business, and a careful scrutiny of the credit rating of a prospective assured, no less than a study of the physical hazard of his property. Every office is forced to accept a certain volume of accommodation business from its favored brokers as an offset to their desirable general offerings, but lines of the former character are not granted with anything like former freedom, and are only allowed as offsets to a liberal amount of better grade risks. Since the incorporation of a credit rating service by the governing board, countermen are studying this feature of a risk much more closely than was formerly done, conscious that the moral hazard of a risk is fully as important, if not more so, than its physical aspects. As the credit service steadily improves in quality its recommendations are naturally being carefully heeded.

Another factor that has proven beneficial is the check placed upon brokers formerly inclined to order policies renewed without specific sanction from the assured. Under the plan now enforced brokers who make a practice of sending out renewals almost indiscriminately, only to return them for cancellation should they prove unacceptable to the assured, are in danger of having their licenses cancelled by the insurance department. They have accordingly improved their methods in this respect, so that where renewal of a policy is now ordered the company or agency feels reasonably sure that the contract will stick. Collections too are better than they have been for a long time, brokers being unwilling to have their names reported as being derelict in this respect to the department, as is now required. Altogether the local situation, despite the comparative dearth of new offerings, is more satisfactory than it has been for a long time, and if conditions now obtaining hold through the remaining half of the year, agents will be able to close 1927 and collect the sorely needed 10 percent contingent on their year's operations.

* * *

REPORT ON CENTRAL BUREAU

Manager Benjamin R. Mowry of the Central Bureau, fire insurance division of the insurance department, organized to curb law violations of the "free insurance evil" in the fire line, has issued an announcement to companies, branch managers and agents on the operation of the bureau during the eight months it has been established. The announcement is in part as follows:

"The Central Bureau has been functioning eight months. From many sources we learn that much good has already been accomplished. The number of cancellation notices has been materially reduced. Earned premium collections have been greatly improved. Brokers are more promptly returning 'not wanted' policies prior to inception date and are exercising greater care in ordering new insurance and renewals.

"While we believe the vast majority of offices are now properly setting up unpaid, unearned premium entries as required by the Central Bureau and are honestly attempting to collect what is due the companies we are of the opinion that there are still a few offices not fully cooperating.

"There are absolutely no exceptions to the ruling regarding establishing earned premiums on policies, binders or other instruments of insurance returned for cancellation or marked off after the inception dates, even though they may have been in force but a single day. As every 'live' policy, binder or other instrument of insurance in the hands of the assured or broker would undoubtedly have to contribute in any possible loss, whether the premium was paid or not, the companies are entitled to an earned premium thereunder and unless such earned premium is paid before the date when report of unpaid earned premiums is due, you have no alternative but to report every such item to the Central Bureau, no matter how small the amount may be. Violation of this constitutes an acquiescence in the violation of the anti-discrimination law according to the ruling of Superintendent Beha."

English Gets Harmonia

The Harmonia, one of the Home group, has appointed Louis E. English of Richmond general agent for Virginia and North Carolina. The agency represents as well the Boston, Old Colony, Camden and Providence Washington.

Completely protected by



RENT INSURANCE

FIRE may destroy the building and force the tenants to secure quarters elsewhere, but it cannot stop the rent income of the property-owner who is completely protected by Rent Insurance.

Rent Insurance assures the owner of a regular rent income from the time that the fire occurs, until his property can be made tenantable.

Property-owners who occupy their own premises would have to pay rent elsewhere should a fire destroy their home. Rental Value Insurance will pay the rent until the necessary repairs can be made.

Tell your prospects about Rent and Rental Value Insurance.

Agents should not hesitate to offer Rent or Rental Value Insurance to their clients. The field is unlimited, the rates are low—and the need for protection is great.

UNION ASSURANCE SOCIETY LIMITED
OF LONDON

NEW YORK CHICAGO SAN FRANCISCO ATLANTA DALLAS

AS SEEN FROM CHICAGO

FRED S. JAMES' FUNERAL

The funeral services of the late Fred S. James, head of Fred S. James & Co., of Chicago and New York, were held at the Rosehill Cemetery chapel in Chicago Sunday afternoon. The service was in charge of Dr. John Timothy Stone of the Fourth Presbyterian church. Representing Fred S. James & Co. in New York were W. A. Blodgett and O. F. Wallin. All the members of the Chicago firm of Fred S. James & Co. were present except George W. Blossom, who is in Europe. There were a number of other insurance men present.

Louis N. James of New York and Whitney P. James of Los Angeles, both sons, as well as Robert E. James, another son, head of the Chicago local agency of R. E. James & Co., were present in Chicago at the time of the death of their father.

* * *

EXAMINERS HAVE LONG JOB

Because the last posting of the books of the Marquette National Fire was done last November and because no cancellations had been put through from last July until the time the company went into the hands of the receiver, the Illinois department examiners found at least six months work ahead of them before they could start into the receivership. The examiners report that during all those months the company management had given its full time to trying to reinsure the business, and allowed everything else to wait.

The examiners are faced with the task of figuring the unearned premium on 90,000 policies, figuring some of it as many as four times because of the reinsurance involved.

After July 15 the offices of the Marquette National Fire, United Lloyds, Bankers Lloyds, the Preferred Underwriting Company, the Clothiers Mutual Casualty and the Lincoln Casualty of Springfield will be located at Princeton, Ill. The offices of the Bulldog will be moved there at a later date. The move has been made to curtail rental and clerical expenses.

* * *

CORNERSTONE WAS LAID

The corner-stone for the new fire insurance patrol house in Chicago at Monroe and Des Plaines streets was laid Wednesday with imposing ceremonies. The members of the fire insurance patrol committee of the Chicago Board were present. This will house patrol companies No. 1 and 2. J. J. Van Every, chairman of the fire insurance patrol committee, presided. Talks were made by August Torpe, president of the Chicago Board; Ernest Palmer, general manager Chicago Board, and Capt. Frank McAuliffe, head of the fire insurance patrol.

The members of the patrol committee aside from Mr. Van Every are Fred J. Sauter, S. H. Quackenbush, Arch O. Burdick, James M. Newburger, George R. Bowman and Herbert A. Clark.

* * *

GRANNATT SOON TO RETURN

Milton H. Grannatt of Chicago, assistant western manager of the Liverpool & London & Globe, who has been abroad for a number of weeks, will sail for home in a few days and will be at his office the latter part of July.

* * *

WORK ON MARQUETTE LIQUIDATION

There is considerable speculation as to how the Marquette National Fire and its subsidiaries will pay out. The company is now being liquidated by the Illinois department of trade and commerce, the representative being H. J. Bailey, brother of H. U. Bailey, the director. Edward J. Hennessy is the attorney. A force of accountants is working on the books of the company to determine the unearned premiums and also figuring out what is due from the Continental and Urbaine in the way of reinsurance.

A few days ago H. J. Bailey, Attorney Hennessy and Judge Steffen of Chicago, who ordered the receivership, held a conference. It was decided that the final date for filing of claims would not be set until the fall term of court opened. Mr. Hennessy believes that enough assets will be gotten together so that the claims can be paid practically in full. This will depend, however, on the amount that the Marquette National will receive from the Pittsburgh Fire, which is being liquidated. The Marquette National owned 80 percent of the stock of the Pittsburgh. Director H. U. Bailey will leave for Zurich, Switzerland, in a short time to settle the claims of the Marquette National over there.

* * *

LAUERMAN IS IN CHARGE

George H. Lauerman, one of Chicago's veteran brokers, has been appointed general manager of the Motorists' Insurance Agency, 2400 South Michigan avenue. Mr. Lauerman will continue his brokerage business, which he took over upon the retirement of Hugh Martin, with whom Mr. Lauerman started as a boy in 1894.

The Motorists' Association of Illinois is an automobile club that is not in the insurance business. It is opposed to reciprocals and mutuals being attached to an automobile club, believing that insurance is not one of its legitimate functions. The Motorists' Insurance Agency has made a line-up with the American Automobile of St. Louis to write full coverage insurance for members of the association.

Mr. Lauerman states that any member of the Motorists' Association is privileged to place his insurance where he desires. The Motorists' Association Insurance Agency will recognize any broker or agent and give him full credit for any insurance placed through the agency.



GEORGE H. LAUERMAN

Mr. Lauerman is a staunch believer in stock insurance and through years of conscientious endeavor has built up an enviable clientele on that basis.

* * *

COLLECTION OF BALANCES

At the annual meetings of field organizations in the central west this year much attention was given to considering the system of collecting delinquent agency balances. In fact this subject has held the center of the stage. While some companies have felt that the collection of balances should be an individual company policy the fact of the matter is that the cooperative plan has worked most successfully and has reduced the number of delinquents in the minds of most of the field organizations. Both the Western Union and Western Insurance Bureau Clubs which have put this plan into effect are strongly for it. The extended granting of credit to agents has been an insidious factor in competition. It has created a number of chronic delinquents. The companies base their rates on certain factors. They count on receiving their money within 45 days. The longer balances are retained the less the interest yield. These days companies rely very much on their banking profits to carry the organization along.

At the meeting of the Michigan field men last week Insurance Commissioner C. D. Livingston stated that the withholding of money by an agent or an assured practically amounts to rebating. He believes that under the agency qualification law of his state he is empowered to use his official authority where an agent becomes delinquent and is unnecessarily withholding premium balances from companies. The fact that some companies use the extension of credit to get agents has had a destructive effect and has militated greatly against the enforced payment of balances. However, as time has gone on and local agents have realized that the companies mean business, the delinquent evil has been greatly reduced. In many states field men are not hesitating to suspend an agent who has not met his obligations and a number of the old time chronic delinquents have faded out of the picture. Field men are very much enthused over the program and generally are giving it their hearty support.

* * *

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Charles Sincere & Co., Chicago investment house, furnishes the following insurance quotations:

	Bid	Asked
Aetna Cas. & Surety	780	790
Aetna Fire	535	545
Aetna Life	542	548
Agricultural	280	...
Alliance Assurance	54	56
American Alliance	340	...
American Automobile	50	...
American Equitable	60	...
American, Newark	23	24
American Salamandra	52	55
American Surety	242	247
Automobile of Hartford	200	210
Bankers & Shippers	300	325
Boston Fire	625	...
Buffalo Fire	325	...
Camden Fire	19	20
Carolina Fire	53	55
City of New York	355	365
Columbian National Life	215	...
Connecticut General Life	1500	1525
Continental Assurance, Ill.	63	...
Continental Cas.	57	60
Continental	170	172
Fidelity & Casualty	187	190
Fidelity & Deposit	218	223
Fidelity-Phenix	115	117
Fire Association	53	55
Firemens, Newark	224	228
Franklin Fire	238	243
Glens Falls	51	53
Globe & Rutgers	1575	1625
Great American	330	335
Hanover Fire	215	218
Harmonia Fire	53	55
Hartford Fire	535	545
Hartford Steam Boiler	620	630
Home Fire, N. Y.	423	426
Homestead Ins.	44	46
Importers & Exporters	101	104
Independence	20	22
Insurance Co. of No. Amer.	61	62
Knickerbocker	30	34
Lincoln Fire of N. Y.	70	75
Lloyds Plate Glass	235	250
Maryland Casualty	113	115
Mechanics, Pa.	60	...
Merchants Fire, com.	185	195
Merchants Fire, Pfd.	125	...
Metropolitan Casualty	80	84
Milwaukee Mechanics	40	42
National Casualty	33	35
National Fire, Conn.	785	800
National Liberty	430	...
National Surety	246	250
National Union Fire	255	260
New Amsterdam Casualty	68	70
New England Fire	43	45
New Jersey	43	46
New York Casualty	108	111
Niagara Fire	300	305
Northern, N. Y.	325	...
North River Fire	160	165
Pacific Fire of N. Y.	102	105
Phoenix, Conn.	580	595
Preferred Accident	430	440
Providence Washington	375	385
Reliance Casualty, N. J.	150	...
Rhode Island	270	285
Rossia Insurance	95	98
Security, N. H.	112	114
Springfield F. & M.	585	605
St. Paul F. & M.	125	135
Stuyvesant, N. Y.	195	210
Travelers	1190	1205
U. S. Casualty	320	340
U. S. Fidelity & Guar.	300	305
U. S. Fire	202	206
U. S. Merchants & Shippers	280	290
Vulcan	100	...
Westchester Fire	57	60

* * *

FORM AUTOMOBILE ADJUSTING FIRM

John L. Koerts and George Kitts have formed a partnership under the firm name of Koerts & Kitts, with headquarters at 327 South LaSalle street, Chicago, to specialize in automobile claims for companies only. The firm will represent the Transcontinental as well as several other companies in the territory about Chicago. Since 1913 Mr. Kitts has been connected with several insurance companies handling automobile claims in connection with various coverages. For several years he was in

(CONTINUED ON PAGE 18)

OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men.
Advertisements which are received before 9:00 A. M. Wednesday are inserted in the current issue.
"Opportunities" advertisements are $5.00 an inch for one insertion.
The National Underwriter Chicago

Assistant Examiner

Wanted by Western Department in Chicago. State age, experience and salary expected. All replies held strictly confidential. Address **B-41,** Care The National Underwriter.

Insurance Accountant

Fully capable of handling fire company records, including reserves, wants connection. Now living in Chicago suburb but will go to home office. 20 years experience. Address **B-36** Care The National Underwriter.

WILL BUY AGENCY

Will buy general insurance agency in good community, with premium income of at least fifty thousand dollars. Give full details. Address **B-38** Care The National Underwriter.

Private Office for Rent

Will rent private office with full facilities to field man or any other desirable tenant.

August Torpe
1630 Insurance Exchange
Chicago

Automobile Leads Given

A choice opportunity is offered men experienced in soliciting full cover automobile insurance in the Chicago territory whereby some 27,000 select names of automobile owners belonging to an automobile club will be placed at the disposal of these salesmen. Full information will be offered about each prospect so that the salesman will have in his possession information of great value when he starts out. Address B-35, Care The National Underwriter.



WILL YOU READ Three Paragraphs?– Short Paragraphs!

1. The first is about YOU and your market for automobile insurance. There is not a town in this country that does not contain an appalling number of uninsured automobile owners. Take stock of the situation in *your* town.

2. The second is about YOU and your agency. You will find a surprising satisfaction in adding the facilities of a strictly automobile insurance company—a company that puts its whole heart into automobile insurance alone.

3. The third is about YOU and us—The Indemnity Company of America. We'd like to come into a limited number of good agencies. We're strong financially, prompt and fair on adjustments and all those conventional things but we can bring you more than that . . . a sincere, honest-to-goodness desire to serve you in an intimate personal way. Let us show you what a real help that can be.

The Indemnity Company of America
St. Louis, Mo.

Ch. A. Lemp, *President*
Henri F. David, *Vice President*
Wm. J. Lemp, *Vice Pres. and Treas.*
Sam G. Parks, *Secretary*

ROYAL MADE GOOD PROFIT LAST YEAR

ALL BRANCHES CONTRIBUTE

Experience in United States Gratifying —Industrial Stability Is Held Largely Responsible

W. R. Glazebrook, chairman at the home office of the Royal, at the annual meeting reported a combined profit from all departments last year of £1,016,000. In commenting on the fire department Mr. Glazebrook said:

"The profit in the fire department amounts to £692,619, which is slightly more than 10 percent on the premiums, and is nearly 3 percent better than the previous year, and I think you will agree with me that we may sincerely congratulate the management on this excellent result. Our premiums are very nearly stationary, the total being some £16,000 more than last year.

Expansion Noted

"You will be gratified to know that our business shows appreciable expansion in the home and general foreign fields, and that the fact that in the aggregate we have done little more than mark time during the past year is due to a purposeful curtailment of our United States business, which shows a drop in income for the year of over £100,000.

"The continuance of industrial activity in that country is evidenced by the fact that the premiums of the fire insurance companies operating there approached £200,000,000 and showed an advance of £10,000,000. Notwithstanding this, the companies making underwriting losses exceeded both in number and amount those making underwriting profits, and the aggregate results of 1926 were little, if any, better than those of 1925.

Business Carefully Written

"It is gratifying to us to know that the efforts which we have made in the past few years to subject our United States business to careful scrutiny and to satisfy ourselves that our underwriting standards are well founded and properly conservative, have borne fruit, and that our business from the North American continent has contributed some share, though not yet a relatively important share to our aggregate profit. We welcome the results of 1926 in that sphere of our operations as an augury of better times.

"During the year 1926 there were no conflagrations of any moment, though we sustained two severe individual fire losses in April last in California, where, by a remarkable coincidence, two large oil storage plants, insured under one policy and situated 250 miles from each other, were set on fire by the same lightning storm, creating a total damage of well over one million pounds sterling, in which we shared with a large number of other companies.

Florida Losses Small

"There was another serious catastrophe in Florida, where extensive hurricane damage occurred in the month of September last. * * * Fortunately, our commitments in the area devastated by last year's unusual occurrence were not important, a fact which, to a large extent, was due to our conservative underwriting in an area which was known to be exposed to severe damage from such causes."

New York City Warehouse Fires

Companies have been watching their warehouse losses in New York City. There were two serious fires in June that will reach $1,500,000. These were the Bishop Warehouse at 52 Greenwich street and the Stettler house at 400 Bleecker street. Some of the insurance was under marine cover.

HENRY CLAY FIRE IS MAKING GOOD SHOWING

HAS ANALYZED ITS BUSINESS

Unprofitable Classes and Risks Weeded Out—Profitable Connections Made in Ohio

The Henry Clay Fire of Lexington, Ky., has made notable strides in placing its business upon a sound and solid foundation. The company's managers made a very careful analysis of its business and have weeded out unprofitable classes or weeded out such specific risks as made some classes unprofitable. The company has made a number of desirable agency connections in Ohio within the past year and by reason of its location in Kentucky has found it possible to be of special service to a number of agencies in that state, particularly in the handling of farm business.

The company has about 35 employes and is located directly across from the Lexington railroad station. There is undoubtedly a Kentucky pride in the Henry Clay which is a real asset to the company. The latchstring is always out at this home office and W. H. Strossman, manager, takes first rank as a host.

Tornado Losses Heavy

Tornado losses experienced by the Home fleet in the west up to June 1 aggregated $630,000, compared with $205,000 sustained in the same period last year. All companies are complaining of the unusually heavy run of tornado losses suffered in the west since Jan. 1.

Latham Goes to Philadelphia

James Latham, manager of the surety department of the Aetna Casualty at Buffalo, has been transferred to Philadelphia as surety superintendent there. He was formerly executive special agent traveling out of the home office for the surety department.

INDIANA DEPARTMENT STUDIES RECIPROCALS

CONFERENCE HELD TUESDAY

Result of Meeting Is That Commissioner Concludes He Has Little Jurisdiction Over Organizations

On Tuesday of this week Indiana Insurance Commissioner Clarence C. Wysong held a conference with representatives of Indiana reciprocals writing automobile coverages. The subject of the conference was the authority of these reciprocals to write "insurance," the commissioner holding that their charters specify that they may write "indemnity." The State Automobile, the Old Trails and the Oak state that they write "insurance," whereas the Federal and others specify their coverage as "indemnity."

Merely Recording Office

About the only definite conclusions derived from the conference are that the insurance commissioner has little jurisdiction over such reciprocals. "The commissioner has less jurisdiction over these reciprocals than over any other class of companies reporting to the department," Mr. Wysong said after the conference. The department is little more than a recording office for statements and policy forms, in the commissioner's opinion.

Will Ask Modification

Attorneys for the fire companies will ask the Illinois supreme court for a rehearing in the case of Hanover Fire vs. Carr with the hope of securing some modifications in the recent decision wherein the court held that the taxes on premiums levied by the counties are property taxes and not business taxes. Until the court has acted on this petition companies have been advised not to pay 1926 tax bills coming due this year.

NATIONAL LIBERTY GROUP PAYING EXTRA DIVIDENDS

GOOD INCREASE IN SURPLUS

Additional Distribution Made by All Three Companies—Stock Increasing in Value

The National Liberty group has declared extra dividends. The National Liberty itself declared a regular semi-annual dividend of 10 percent and an extra dividend of 20 percent. The Baltimore American declared a regular semi-annual dividend of 6 percent and an extra dividend of 6 percent. The Peoples National Fire placed its stock on a regular annual basis of 10 percent and declared a 1 percent extra. The increase in surplus of the National Liberty for the first six months was more than $1,000,000 in excess of the increase for all last year. The increase in surplus for the six months after the payment of dividends is estimated at more than $3,000,000. It has been reported for some time that the National Liberty might declare a stock dividend of 200 percent but no action was taken. The stock of all three companies has been increasing in value, the National Liberty stock having risen 82 points in one week.

AS SEEN FROM CHICAGO

(CONTINUED FROM PAGE 16)

charge of the New York automobile claim department of the New Amsterdam Casualty. He has been an adjuster with the Home Fire & Marine and Fireman's Fund in the New York City office, manager of the claim department of the Northwestern Casualty & Surety in New York City and chief adjuster of the automobile department of H. G. B. Alexander & Co. of Chicago. He is thoroughly familiar with loss adjustments and investigations of finance company risks as well as regular and direct business and all casualty lines.

Mr. Koerts has been handling automobile fire, hail and casualty risks for the past five years. For several years he has been handling automobile loss adjustments on finance accounts.

* * *

Iles, Lodding, Jacobs & Co., agents at 166 West Jackson boulevard, Chicago, have opened a life department, taking the American National of Galveston, Tex.

* * *

R. E. Schram, formerly with the Tokio in the Illinois field, and **Ernest Hess,** formerly with the Employers Fire, have joined the forces of the Insurance Producers Bulletin of Chicago.

Third Trial Granted

GRAND RAPIDS, MICH., July 6—Insurance companies against whom was rendered a verdict in the case of the Thompson Transit Company which sought to collect for the sinking of the steamer Lakeland were given another day in court last week when the United States circuit court of appeals here granted a retrial of the case. About 15 companies are said to be interested. The companies based their case upon evidence furnished by divers who testified they found the steamer's seacocks open as she lay at the bottom, which, they said, indicated the craft had been deliberately scuttled. The companies denied liability. The steamer sank in Lake Michigan in December, 1924.

In granting a third trial, the circuit court held the trial judge made an error when he instructed the jury to the effect that the defendant companies must prove the scuttling affirmatively rather than that the plaintiff must prove affirmatively that the sinking was from natural causes.

SOME RECENT COURT DECISIONS IN THE FIELD OF FIRE UNDERWRITING

Insurance Company Held Bound by Oral Promise of Local Agent to Have Change of Location of Goods Covered by Fire Policy Endorsed on Policy.—In Franklin Fire vs. Franks, supreme court of Mississippi, 111 So. 135, the company issued a policy covering a stock of merchandise located in a frame building. Thereafter the insured moved the building a distance of about 300 feet from the old site.

Notice of this removal of the building and goods was given to the company's agent. He promised to have the necessary endorsement made upon the policy. For some reason this endorsement was not made, and following a loss the company denied liability on the ground that the policy only covered the goods while in the building on the site where it was when the policy was written.

Lower Court Upheld

The insured filed suit and the trial court over-ruled the company's demurrer. An appeal was taken, and the higher court in reviewing the record, and in affirming the ruling in favor of the insured, said:

"Appellant's position is that there can be no recovery on the policy, because appellee failed, when he moved the frame store building from its site where it was located when the policy was issued to a new site, to have appellant endorse on the policy its transfer, so as to make it cover the goods at such new site, as provided in the stipulation of the policy last above quoted; in other words, that appellee can not recover, because he failed to ask and receive, in the manner provided by the policy, appellant's consent that the policy should cover loss by fire on the goods while situated in the frame store building on its new site.

What the Assured Did

"Appellee's answer to that contention is that he did all he could to have the policy cover the goods at their new location; that he applied to the insurance agency, through which the policy was issued, which was authorized to give its consent to the transfer of the policy, so as to cover loss by fire on the goods at their new location, and the agency agreed to do as requested by appellee and to make the necessary notation on the policy of insurance; that such transfer was not made through the fault of such agency, and without any fault on the part of appellee. * * *

Oral Agreement Made

"According to the allegations of the bill in the present case, there was an oral agreement between the appellee and the appellant's insurance agent with authority to act in the premises; that the agent would make the necessary notation on the policy, so as to make it cover the goods at their new location, as it did at the old; and that appellee acted and relied upon that oral agreement. * * *

"It is no defense for appellant that the stipulation in the policy requires that all such agreements be noted on the policy or attached thereto in writing, because, under the allegations of the bill, it was not the fault of the appellee, but the fault of the appellant, that that stipulation was not complied with. * * *

* * *

Fire Policy Voided by False Representation That Property Covered was

(CONTINUED ON PAGE 34)



"TIME to Re-tire"

(Fisk Tire Co.)

The sleepy little Fisk kid has been retiring right out in front of everybody for a good many years.

His retirement program must be something like the man who carries his insurance in The Home of New York. Every night when it's "time to retire" he can go to bed without a worry about his property. And year after year while little Mr. Fisk is "retiring" the man with the Home policy is renewing and "retiring" with well placed confidence in his insurance protection.

THE HOME INSURANCE COMPANY NEW YORK



If fire came to your office today—would your records survive?

THE most serious loss caused by fire in nearly every instance is the loss of records.

Physical property is generally insured.

If your records are destroyed, what is there to start from, what is there to work from in getting started again?

There have been too many directors' meetings held in the blackened ruins of burned buildings, trying to find just where things stand.

Don't let this happen to you!

A GF Allsteel Safe is the best protection you can provide for your records—the nerves of your business.—And in addition to the fire protection, there is the added advantage of being able to place your safe at the point of use, just as you would a desk—and a GF Allsteel Safe is as movable as a desk.

THE GENERAL FIREPROOFING COMPANY
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THE NATIONAL UNDERWRITER

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Illustrious Group of Men

THE death of FRED S. JAMES of Chicago removes from the scene one of the few survivors of Chicago local agents who were actively in business at the time of the Chicago fire in 1871. JAMES L. ROSS, who started his agency in 1866, and CHARLES E. AFFELD, SR., who started an agency in 1869, are retired but still are in fairly good shape. That was a notable group of local agency pioneers that operated at the time of the big Chicago conflagration. Many of these men became important factors in insurance, not only locally in Chicago, but in the more general underwriting field. Mr. JAMES, both as a local agent and as a western manager, was conspicuous in his ability as a contact man, so to speak. He engineered some important projects and through his influence was able to accomplish much for his agency and his branch department. One of his achievements and by no means a small one was his resourcefulness in securing able lieutenants and developing them. Many men were educated in Mr. JAMES' school and regard their training as most valuable.

Insurance and Advertising Values

The INSURANCE ADVERTISING CONFERENCE which recently met in Hartford had before it advertising experts in the general field who claimed that much could be accomplished if insurance would open its purse strings and spend millions in printers' ink.

ERNEST ELMO CALKINS of New York, who is a pioneer in effective advertising in many ways and who has been one of its foremost spokesmen on the platform and in print, was particularly denunciatory of insurance at the Hartford meeting claiming that this particular business is more secluded from modern life and more archaic than any other when advertising is considered. Satirically, he said that "insurance needs less vice-presidents and adding machines and more publicity.

Last year Mr. CALKINS said the automobile people spent $31,900,000 in advertising in 12 big magazines while insurance spent $1,000,000 altogether. He contended that insurance does not insure against the destructive power of silence. The speaker held that the agents who sell insurance are badly handicapped because the public is uninformed. He declared that through enlightening publicity methods people would become so interested in insurance they would go to offices and buy it. Furthermore by telling real human interest stories, he said the public would be as enthusiastic over insurance as sports.

Mr. CALKINS scored some excellent points in his address and yet in others he showed that he had not studied the peculiar problems confronting insurance. The motor car people can add their advertising cost to the price of their product and the purchaser pays at once that expenditure. Insurance can not do it. Insurance is materially different from tangible goods. It is something that usually comes into fruitage when trouble arises.

While there will come some direct sales from institutional advertising the chief benefit will come from the creation of good will and a favorable atmosphere. It will be informative and educational.

Advertising insurance will not draw people to offices to buy as will department store advertising. In this country, we must not overlook the tremendous power of personal appeal that sells insurance and that is made through agents. Undoubtedly agents can be helped and sales resistance reduced by advertising.

The difficulty is that advertising experts are endeavoring to treat insurance as they would bacon or flower seeds. Insurance officials are not yet convinced that advertising will do for the public all that the publicity consultants claim. Hence they are not willing as yet to engage in an expensive campaign.

In our opinion, if insurance does decide to expend large sums for general advertising it must definitely decide to prepare a program for 10 years as a minimum. Sporadic publicity does not hit the target. Advertising benefits are accumulative. Furthermore the campaign must be carried on by those who know not only advertising but who also know insurance.

Probably insurance is too conservative in this line but it will not be moved to action by extreme claims of publicists, however eminent they be. Baseball, football and all sports get more publicity than any other activity and yet do less advertising. Insurance has an appeal but it will have to be put before the public in its peculiar form.

PERSONAL SIDE OF THE BUSINESS

Elwin W. Law of Chicago, western manager of the Royal, was the recipient of a unique gift last week. C. W. Rogers of Liberal, Kans., sent him a baby coyote all properly decked out and crated. Liberal is in the southwest part of Kansas, close to Oklahoma and Texas. The coyote arrived at the Royal office in Chicago Thursday, one of the real hot days of the season. When the expressman delivered the young coyote it was almost in a state of coma from excessive heat. After being freely sprinkled with water it revived. Mr. Law immediately put his research department at work, studying about food and care for animals of this character.

—

W. H. Strossman, manager of the Henry Clay Fire, Lexington, Ky., is a real commuter. Mr. Strossman lives in Mt. Sterling and makes the 30-mile trip to and from Lexington each day. He has no tubes or trains to worry about, however. Lexington people use automobiles, even if they do know more about horses.

—

August Torpe, Jr., and Mrs. Torpe announce the engagement of their daughter Rosalee to Clarence William Elmer of Chicago, secretary Nye & Jenks Grain Co., the board of trade house. Mr. Torpe is president of the Chicago Board.

—

D. C. Lewis of Highmore, S. D., has been appointed state insurance commissioner. He succeeds G. H. Helgerson. Mr. Lewis was graduated from Platteville State Normal in 1903. He served as high school principal for three years, studied law at La Crosse, Wis., and attended the University of Minnesota law school. He was appointed secretary to Congressman John J. Esch of Wisconsin in 1910. Since 1912 he has resided in South Dakota, where he has been engaged in farming, banking and insurance. Since Jan. 4, he has been secretary to Governor Gelow, who now appoints him as insurance commissioner.

—

Charles F. Hildreth of Freeport, Ill., well known local agent and former president of the National Association of Insurance Agents, sailed on the "California" for a trip abroad and will be gone until September. He will make the high spots of the continent that will include Jerusalem, Cairo and Monte Carlo, among others, so that he can get a fair batting average.

—

William H. McGee, prominent marine underwriter and president of McGee & Co., marine general agents, New York, was a week-end visitor to Chicago, where his company maintains an office. Mr. McGee is well known throughout the east as a lecturer on marine insurance subjects.

—

Members of the Illinois Field Club in days gone by will remember the old time secretary, **Miss L. B. Herpich.** Miss Herpich married William C. Hughes, who was formerly chief underwriter at the home office of the Concordia Fire. The two went to the Pacific coast where Mr. Hughes continued in the insurance business. In later days he became the chief accountant for the Pacific Coast Agency Company of San Francisco. Last year Mr. Hughes died. Mrs. Hughes, who was formerly Miss Herpich, then went into the agency as a general utility woman. About two weeks ago she died, funeral services having been held at Burlingame, Cal., a suburb of San Francisco. Miss Herpich was well known to the old Illinois Field Club members during the time she was secretary. One of the members of this agency is W. M. Stodgill, who traveled for the old Central National of Chicago and later was its assistant secretary. Another member is R. R. Stowell, who formerly traveled for the Dubuque in the East.

—

James E. Sheehan, inspector of the Hartford Fire mill and elevator department at Minneapolis, is the proud father of a lusty lunged youngster, James Edward Sheehan, Jr.

When the new pater familias was wringing his hands and waiting for the announcement he was in a nervous condition. The doctor noting this sought to soothe him and this is the way he put it: "Now, Jim, calm down. This is about my 2,000th case. You're all right, I haven't lost a father yet."

—

E. C. Jameson, president of the Globe & Rutgers, sailed from New York for Europe last Thursday.

—

President **George G. Bulkley** of the Springfield Fire & Marine and **John C. Harding** of Harding & Lininger of Chicago, western managers, are on a fishing trip in Canada.

—

Mrs. F. H. Rhoads, wife of the Pacific Coast manager of the Aetna, was killed in an automobile accident in western Iowa, where she was spending her vacation, on Wednesday of last week. Mr. Rhoads, who was recently elected president of the Pacific Board, was called to Iowa by telegram, but did not know at the time he was notified that Mrs. Rhoads' accident had been fatal.

—

F. I. Holman, former suburban secretary of the Commercial Union fleet at Philadelphia and more recently a local agent at Camden, N. J., is retiring from insurance to give his attention to the Merchantville, N. J., Trust Company of which he is vice-president.

—

Charles Weller, Jr., manager of the brokerage and service department of the North British & Mercantile in New York, has joined the ranks of the illustrious poets in the east. His muse was stimulated by the recent outing of the North British organization. Here is the lay that Poet Weller sings on his lute:

'Twas at noon on a beautiful spring June day,
The steamer "Belle Island" sailed out on the bay.
Aboard was the happy North British family, bound
For Roton Point, Connecticut, on the Sound.

The annual outing's a stirring event.
For prizes galore all efforts were bent.
But of all the more strenuous contests,
The big baseball match was surely the best.

We gladly hail the "All-Brokers" baseball team,
Which accepted defeat with such gallant mien,
In the special return match soon to be played,
We may have to submit to being well flayed.

Vice-President Dodd Breaks Daughter Record

John A. Dodd, vice-president and secretary of the American National Fire of Columbus, has an interesting family which in many cases may hold the record among the insurance households of Ohio and in fact Western Union territory. To the John A. Dodd family has just been added daughter No. 11. All the girls are living and are a delightful group.

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

IMPROVE OHIO PROTECTION

Many Towns and Cities Are Now in Position to Increase Their Fire Fighting Facilities

For the past two or three years, Ohio towns and cities have been greatly handicapped in making needed fire protection improvements by reason of their poor financial condition and a state law adopted two years ago which required that towns must have the money in hands for the purchase of fire apparatus either directly from taxes or from the sale of bonds. The towns and cities are now recovering financially and the budget law which requires the city to operate on a business basis has worked wonders in many communities, so that during the remainder of this year and next year Ohio will be a particularly active center in the making of fire protection additions and improvements. At the present time engineers of the Ohio Inspection Bureau are performing an underwriters' test on a piece of fire apparatus about every ten days.

Many Improvements Made

Among the cities which have recently installed new waterworks systems are Tiltonville and Yorkville. Water supply extensions have been arranged for at Willard, Martins Ferry, Troy, Metamora, Green Springs, Brilliant, Crooksville, New Paris and Burton. The subject is being given serious consideration at Manchester and Georgetown. Towns which have recently purchased fire apparatus include Crestline, which is also improving its building zone laws and providing one or two full paid men for the fire department, Fort Recovery, New Bremen, Woodsfield, Wellsville, Bellefontaine and Celina. Towns which are contemplating purchase of fire apparatus are Minster, Westerville, Bowling Green, Sebring, Neffs, Nelsonville, Holgate, Ft. Laramie, De Graff, Athens, Brady Lake, Belmont, Richwood, Perrysville and Granville. Crooksville recently purchased a quantity of fire hose. Ironton may open up two fire stations. New Philadelphia has appointed a new fire chief, a former member of the Lorain department.

White Opens Columbus Office

Andrew J. White has been appointed manager of the newly opened Columbus, O., office of C. L. Harris & Co., general adjusters. Mr. White has had an extensive casualty experience. The Harris organization now has 42 employes handling insurance claims and litigation exclusively.

New Agency Organized

Officers of the United States Mutual Benefit in Cincinnati have organized the United States Insurance Agency to write fire and casualty lines and the agency has become a member of the Cincinnati Fire Underwriters Association. The officers are P. C. Fellows, president; W. T. Morford, vice-president; R. C. Huls, secretary, and S. W. Rentz, treasurer. Offices of the agency are at 54 Pickering building.

Ohio Notes

Otto Fisher, aged 38, an insurance man at Ansonia, O., was killed when his automobile crashed into a train a few days ago.

A wind and rain storm at Lancaster, O., last Saturday night, following the intense heat wave, caused a loss estimated at $50,000. Much damage also was done at Newark, O., houses being unroofed, wires torn down and trees uprooted.

WANT SOME SEPARATION RULE

Companies in West Virginia Uniformity Association Say They Are Imposed on by Outsiders

Companies belonging to the West Virginia Uniformity Association that pay 20 percent flat commission to agents in the state feel that in due time separation will have to be forced in some form or the other. The outside companies are paying excess commissions and a number of agents do not hesitate to accept these. A comparison of the figures of these companies for 1926 as compared with the year before shows a substantial increase. The association companies are religiously adhering to the 20 percent flat program. Now that the adjustment has been made the agents seem very well satisfied with it.

However, in a large number of agencies there is found an excess commission payer or two that does not belong to the organization. There has always been a stiff fight put up when an attempt was made to debar the excess commission payers from agencies. Field men and association companies say that with the struggle for business the presence of these non-association companies in their agencies proves a great handicap.

Lumbermen's Mutual Figures

The financial statement of the Lumbermens Mutual of Mansfield, O., as of May 1, shows assets $1,946,118, premium reserve $1,041,729, permanent fund $200,000, net cash surplus $581,288.

CENTRAL WESTERN STATES

TO WAGE WAR ON ARSONISTS

Michigan Commissioner Is Now in Position to Exercise Control Over Dishonesty in Fire Losses

LANSING, MICH., July 6.—Arson fires will be greatly reduced in number in this state during the next few years if a campaign being launched by Commissioner Charles D. Livingston is successful. The commissioner is seeking, by every means at his command, to eliminate as nearly as possible the moral hazard from the Michigan insurance situation, a hazard which he believes has taken a tremendous toll in the past. Since July 1 Commissioner Livingston has assumed the duties of state fire marshal ex officio, and all fire marshal's office activities will be administered from the insurance department as they were until 1921 when the fire marshal's office was made a part of the department of public safety.

But even before taking over his new job as state fire marshal, Mr. Livingston has begun to take steps toward cleaning up the state from an arson standpoint. The first action along this line has taken the form of letters to various agencies throughout the state which have had bad loss records in the past. In these communications, the commissioner is warning the agencies against over-insurance, the most prolific aid to the arsonist, and the insuring of notorious fire-loss profiteers. Thorough investigation of records should be made by the agency, it is held, in taking a new line and an equally thorough inspection of the risk should be made to prevent possibility of over-insurance. Commissioner Livingston also has a new and vastly improved arson law at his disposal. Under the new act it is hoped that more guilty persons will be brought to justice and more equitable sentences given those found guilty.

Charles V. Lane, who has been chief of the fire marshal's division since the resignation of Homer Rutledge several years ago, is expected to continue in an active capacity in the office as assistant fire marshal under Commissioner Livingston and Horace Corell, first deputy commissioner who becomes deputy fire marshal ex officio, under the act. Thomas Graham, Peck newspaperman, is mentioned as the man slated for assistant to Mr. Lane.

Adjusters for three companies that held policies on the four cottages which were burned near the West Side Hotel at Lake Manitou, near Rochester, Ind., settled at once for the losses with the property owners. In each instance the amount of the policy would not cover more than half of the loss.

HERBERT BARR WAS HONORED

Gregory & Appel Entertain in Honor of Well Known Field Man Who Enters Agency Work

Gregory & Appel, Indianapolis local agents, entertained last Friday in honor of Herbert L. Barr, state agent of the North America, who enters the Gregory & Appel agency, leaving field work. The function was held at the "Patch," the country home of John J. Appel, head of the agency. Assisting him in receiving was his son, Fred G. Appel. All the field men associated with the Gregory & Appel companies were present. W. H. Riker of Chicago, assistant manager of the North America, presided at the dinner in the evening. E. A. Henne of the America Fore office and H. G. Casper of Fred S. James & Co., of Chicago, were present. Mr. Riker presented Mr. Barr with a silver coffee service from the North America's western department. The field men of the Gregory & Appel office gave him a golf bag. The Indiana field men of the North America presented him with a desk set. A telegram was read from C. R. Tuttle, western manager of the North America.

Michigan Fire Chiefs Meet

BAY CITY, MICH., July 6—Many interesting topics pertaining to combating fire were discussed here last week at the annual convention of the Michigan Association of Fire Chiefs. In addition to addresses and round-table discussions, demonstrations of fire-fighting methods and of apparatus featured the meeting. Election of officers resulted in retention of George Boughner, Grand Rapids, as president of the association. Charles H. Crampton, the Bay City chief, was kept as treasurer. Other officers chosen included: A. M. Jager, Ecorse, vice-president; George F. Dansbury, Grosse Pointe Farms, secretary; Roy Mottshard, Fordson, trustee. Fordson's invitation to the association to hold the convention there next year was accepted. Consideration was given to the matter of affiliating with the National association and the district organization, the Great Lakes association. It was practically assured that steps along this line would be taken and a delegate will be sent to the National association meeting.

Fireworks Dealers Foiled

LANSING, MICH., July 6—While Detroit dealers in fireworks obtained from the supreme court last week an order requiring civic authorities to show cause why they should not be restrained from enforcing the municipal ordinance prohibiting sale and use of fireworks within the corporate limits, the decision was valueless to them so far as this fourth of July is concerned. The court refused to halt enforcement of the ordinance pending hearing, thus making it impossible for the dealers to sell their stocks this year. It is claimed by the dealers that they purchased their $100,000 in stock in the belief that the state law protected them in permitting sales. They claim the fact that the ordinance clashes with the state law invalidates it. Municipal forces, however, maintain the ordinance is essential to protect property and life.

Luncheon for Ahlin

A. T. Ahlin, who recently resigned as special agent of the Royal in Illinois to become Illinois state agent of the Norwich Union, was given a luncheon by the executive and department heads of the Royal at the Union League Club last week. He was presented with a brief case. Western Manager Elwin W. Law presided at the affair.

NORTHWESTERN STATES

DEFENSE IS NOT ALLOWED

Failure of Agent to Attach Vacancy Permit Results in Suit Which Is Won By Insured

In Klinger vs. Milwaukee Mechanics, supreme court of Wisconsin, 213 N. W. 699, one Winchester, an agent of the company, issued a policy covering certain property. It became vacant and the insured notified the agent and requested a vacancy permit be attached to the policy.

At this time the agent had the policy in his vault and informed the insured that a vacancy indorsement would be attached. The agent, it appears, had authority to issue riders and attach permits of various kinds to policies, which he had done in the past.

Permit Not Attached

However, on this occasion, the agent neglected to attach a vacancy permit and a loss occurred while the property was vacant. The company denied liability on the grounds of violation of the vacancy clause, and insured brought action to recover. The trial resulted in a judgment for the insured. On appeal the higher court in reviewing the record, and in affirming this judgment, said:

"The insured did what the great majority of men who have policies of insurance do when they desire a vacancy permit. He went to the agent who had represented the company in all matters respecting this policy and requested that such permit be issued. He was assured by the agent that he would attend to the matter. He relied on such assurance, and his property was destroyed while vacant before such permit was issued. The issue presented is whether the company is now estopped by the conduct of its agent to raise this defense. * * *

Judgment Upheld

"Having in the past recognized the power of the local agent to change the terms of the policy by attaching riders thereto, the company is now estopped to set up the defense that the agent failed to attach the vacancy permit as he had expressly agreed to do. * * * Judgment affirmed."

Committee Chairmen Appointed

MILWAUKEE, July 6.—G. A. Strasen, president of the Wisconsin State Fire Prevention Association for the ensuing year, and special agent in Wisconsin for the American of Newark, has announced the appointment of committee chairmen for his term of office. These will compose the executive committee. The appointments are: Roy L. Nicholson, state agent Michigan Fire & Marine, town inspection; Paul E. Rudd, state agent Aetna Fire, publicity; A. L. Tolin, special agent

Northern New York, public buildings; P. F. Lewis, special agent Boston, boy scouts; E. H. Zentner, state agent Firemen's, law and ordinance; Charles F. Rupprecht, special agent Commercial Union, speakers' bureau; Frank R. Daniel, chief engineer Wisconsin Inspection Bureau, fire protection and electrical; C. W. Hutchinson, state agent Pennsylvania Fire, national fire waste; and E. O. Spink, adjuster Home, farm fire prevention.

Severe Storm in North Dakota

BISMARCK, N. D., July 6—One man was killed, three women injured and property damage totaling thousands of dollars was caused by a heavy storm which struck Bismarck last week. Trees in all parts of the city were blown down and some streets were nearly blocked by debris. Officials of the state hail department said hail loss in this vicinity was comparatively slight and that apparently the hail was only local in extent.

Filling Station Explodes

MILWAUKEE, July 6.—A gasoline filling station on the south side of Milwaukee exploded last week. The building was destroyed and three persons were injured, one seriously. This was the first filling station to explode in this city. The cause of the explosion has not been determined. The force of the blast was directed through the front of the filling station, where the windows offered least resistance. Windows were blown from two automobiles parked in front of the station. The damage to the filling station is estimated at $8,000.

St. Paul Agency Incorporates

ST. PAUL, July 5—The Dwyer-Maas Company has been incorporated with capital of $50,000 to engage in the general insurance business. The company has been operating for about two years under a partnership. Congressman Melvin J. Maas, who has been one of the managing partners, has retired from active direction of the business, but remains as vice-president and director.

D. E. Dwyer, Jr., is president and Gene Maas secretary and treasurer.

The Norwegian Mutual Fire of Porter, Minn., will celebrate its 50th anniversary in 1929. The company was organized on a farm north of Minneota, Minn., where Gunnlagur Peterson, the first Icelander to settle in the state, took a homestead in 1875.

IN THE MISSOURI VALLEY

HELD PROVISION WAS WAIVED

Company Led Insured to Believe that Proofs of Loss Were not Required

In Havirland vs. Farmers, supreme court of Iowa, 213 N. W. 762, an action was brought to recover upon a fire policy. The company defended among other things on the ground of the failure of the insured to file proofs of loss as required by the terms of the policy. The evidence tended to show that the insured had not complied with the provision of the policy in respect to filing proofs of loss. However, it was shown that following the loss the insured called upon the company to see about it, and at that time the agents of the company informed insured that nothing could be done until they had received a report from the state fire marshal's office relative to the fire. The insured took the position that this statement of the insurance company's agent constituted a waiver of proofs of loss.

Waived by Evasive Course

The trial court submitted the question of waiver to the jury, which found in favor of the insured. On appeal the higher court in reviewing the record and in affirming the judgment in favor of the insured, said: "Proofs of loss required by a policy of insurance may be waived by a shuffling or evasive course of conduct on the part of the company, amounting neither to an actual denial nor a distinct recognition of liability, but sufficient to lead a reasonably prudent person to believe that proofs of loss are not required.

Policyholder Was Misled

"In the case at bar, the conduct of the insurance company must be viewed as more or less evasive. It had notice of the loss by letter and also from the insured in person. It surely knew the purpose of her visit to the home office, and the statements made to her by the adjuster were sufficient to lull her to sleep and make her believe that there were no further steps for her to take in the collection of her insurance under her policy until the company advised her in the premises. The insurance company knew of its right to have proofs of loss, but it was also bound to know that it could waive this by such acts or conduct on its part as to justify the conclusion that it was not intending to insist upon full compliance with the terms of the policy or the statute."

Want Fire Warden for Omaha

OMAHA, July 5.—A resolution urging the reestablishment of the office of fire warden in Omaha was adopted by the executive committee of the chamber of commerce on recommendation of the fire prevention committee. The matter will be presented to the city council July 11. In the meantime, letters will be sent all civic clubs in the city asking endorsement and active support by their members, who also will be urged to attend the council meeting. Members of the fire prevention committee said Fire Commissioner Westergard told them he was in favor of reestablishment of the office.

The council abolished the office of fire warden early in 1925.

Check Up Sedalia Defects

SEDALIA, MO., July 5—In cooperation with the Missouri State Fire Prevention Association and the fire prevention committee of the Sedalia Chamber of Commerce, Chief Paul of the Sedalia fire department has assigned members of his force to go over a large part of the mercantile section which was inspected by the state association in April. The inspection is for the purpose of ascertaining the present conditions and the degree of compliances made to the recommendations of the state association. This has resulted in a thorough recheck of a large portion of the mercantile section, especially in the congested area, and it was found that in a great many cases partial or full compliances to the recommendations had been made although the usual postcard notices of compliance had not been sent to the secretary of the state association.

The value and need of regular inspection by the fire department members was forcibly demonstrated and the Missouri State Fire Prevention Association is cooperating with the fire prevention committee of the local Chamber of Commerce and city officials to secure such a regular examination and other needed improvements in Sedalia.

Fire Marshal Names Deputies

DES MOINES, July 5—J. W. Strohm of Clinton, who has just become state fire marshal, succeeding J. A. Tracy of Des Moines, announced the following appointments as deputies: William Blake, Clermont, chief deputy; Sam Star, Dubuque, and G. G. Shanfelt, Sigourney. Mr. Blake, who has been state agent under James E. Risden, chief of the state bureau of identification, succeeds F. J. Frowick, Des Moines. Mr. Star succeeds W. C. Rabbitt, Des Moines, and Mr. Shanafelt is reappointed.

National Union Figures

The National Union calls attention to the fact that in the table giving the premiums and losses for the three large cities in Missouri, a mistake was made in Kansas City. The premiums are $89,211 and the losses $29,950.

Hail Storms in Nebraska

LINCOLN, NEB., July 6.—A hailstorm that swept down the North Platte valley last week is estimated to have destroyed $250,000 worth of almost ripe wheat and other grains. It struck the Scottsbluff area after five days of excessive heat, and cut a swath through 20 miles of farm country. Scattered hailstorms in Box Butte and Sioux counties and in other places in the northwestern part of the state are also reported. This section suffered less last year than usual, while those sections of the state hard hit in 1926 have escaped with but a few storms this year.

Nebraska Notes

In a fire at Dunning, Neb., June 29, the Hotel Robinson and the Joe Figard and Hamer store buildings were completely destroyed, and the Riggs pool hall and Brown drug store badly damaged.

Fire bugs operating in Lincoln, Neb., set fire to four garages attached to residences in one section of the city one night last week. In one case kerosene soaked rags had been placed against a partition inside the garage; in another paper had been piled against a tire; in another a blazing oil can was put close to an automobile, and in the other some painting materials were used.

Iowa Notes

C. M. Maxwell and R. R. Lamb of Des Moines have bought the insurance business of John McGuire, Stuart, Ia., and will conduct a general insurance agency.

The Charles G. Lowery Company has been organized at Sioux City, Ia., with $50,000 capital to engage in general insurance and real estate. Charles G. Lowery is president; F. C. Dunkelberg, vice-president; R. H. Hatfield, secretary, and Helen G. Van Nest, treasurer.

Owen Hoover, a prominent local agent at Clinton, Mo., died the other day from heart trouble. He was found dead in the living room of his home. He was one of the old-timers of his section.

STATES OF THE SOUTHWEST

CALL MIDLAND COMING CITY

Is in Exact Center of West Texas Oil Field, in Good Agricultural Section, Well Located Geographically

West Texas' next city will be Midland—this is the consensus of opinion among oil men from Tulsa to Houston and from Dallas to El Paso. Scores of them are already located in Midland and others are coming as soon as the new structures are completed this fall.

Building permits in Midland the past five months have totaled $1,000,000 and include a new hotel of 150 rooms, each with bath, to cost $250,000 and a new seven-story office building, in addition to the 130 new residences and business buildings already completed. Large paving contracts have also been let.

The population has doubled in seven years and a more phenomenal growth is anticipated for the next year. Midland is the exact center of oil operations in 10 counties and is connected with these fields by good roads. It is situated exactly half-way between El Paso and Fort Worth and is the admitted capital of the vast cattle country, the home of fine Herefords. It is located in a land so rich agriculturally that not more than one-tenth of its resources have as yet been touched. Further, the county has the only potash fields in the world outside of those in Alsace-Lorraine, and extensive potash mining will be begun during the summer, which industry will be a large factor in the local development.

Midland had a fire department of 20 men and a source of water supply which, even before the recent construction boom, was inadequate, though it enjoyed for the last two years the maximum good fire record credit of 15 percent because of its care in fire prevention, and its key rate has been only 59 cents. The city's growth, however, has caused the city council to buy a 320-acre tract for additional water supply, which will be adequate for a large city, but until a number of wells in the new tract have been drilled the water situation is grave should a conflagration occur.

Will Inspect Madill, Okla.

OKLAHOMA CITY, July 6—James A. Atkinson, secretary of the Oklahoma State Fire Prevention Association, has announced a special meeting at Madill, Okla., for July 8 for the purpose of securing better cooperation from the city officials. A thorough inspection of the town will be made. Experience in Madill has been unsatisfactory and many companies have withdrawn within the last year. Unless the proper cooperation is obtained, other companies are threatening to decline business in the town, according to the secretary.

Empowered to Inspect Buildings

OKLAHOMA CITY, July 6—Chiefs and members of fire departments in all cities of Oklahoma have been provided with courtesy cards giving them the power to inspect buildings within their jurisdiction, by C. R. O'Neal, state fire marshal. The cards were sent with the request for cooperation in doing away with all fire hazards and inspecting buildings to aid in reducing the number of fires in Oklahoma. The laws of the state empower fire chiefs to issue orders to owners of premises to correct any condition which might be considered a fire hazard.

Texas Schedules Revised

AUSTIN, TEX., July 6—The Texas fire insurance commission has adopted a number of new amendments to the general basis schedules. One of the amendments takes cognizance of the highly inflammable refuse growing out of the salvaging of immature cotton by penalizing boll breakers, boll burrs stacked around gin houses and other hazards growing out of "bollies." It allows a credit for night watch service. The entire gin schedule is revised upward as a result of the heavy losses.

An entirely new Texas industry is that of producing turpentine and turpentine stills are covered in a new amendment. The same is true as to some features of railroad terminals and some new features are put into the oil schedules.

Improves Water Supply

Teague, Tex., has enjoyed the comparatively low key rate of 54 cents but, in order to secure a greater reduction based on better fire-fighting facilities, has let a contract to bore four test wells preliminary to drilling a number of new wells for additional local water supply. The first test well will be dug in the city park and, when sufficient water supply is located, contracts will be let for an adequate number of gravel wall type wells.

Greenville Agents Active

Local agents of Greenville, Tex., will actively campaign for a reduction of the fire record of their city, which thus far has highly excessive, so much so that a number of companies have ceased writing there. Greenville is a highly prosperous community and no apparent reason exists why it should have so many severe fires.

Oklahoma Pond Elects

OKLAHOMA CITY, July 6—W. G. McCoy was elected most loyal gander of the Oklahoma Blue Goose, with the following official staff: J. A. Atkinson, supervisor; H. K. Lininger, custodian; J. O. Truelove, guardian; W. E. Hitchcock, keeper; T. Ray Phillips, wielder; J. A. Bosdett, W. C. Brady, T. M. Burrows, W. J. Kline, A. M. Nielsen, W. B. Clinite, guards. H. N. McCool, retiring most loyal gander, and A. M. Nielsen were elected delegates to the grand nest.

Opens Office at Harlingen

The Southwestern Adjustment Company has opened an office at Harlingen, Tex., in charge of Allen Rutledge. Mr. Rutledge has been carrying on independent adjustment work in Texas for many years. Harlingen is in the center of the valley section of Texas, which is a rapidly growing region.

Speed Opens Adjusting Office

J. S. Speed, who has had 29 years' insurance experience, serving the North America, Adams & Boyle, the Liverpool, & London & Globe, and the last seven

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As an outstanding hotel of the Middle-West, the Muehlebach offers every service demanded by the most exacting guest.

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Two of the three dining rooms offer music and dancing daily. The Coffee Shop is ideal for those wishing quick service and at popular prices.

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Room without Bath—
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Room with Bath—
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Capital	$250,000.00
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A. R. Preisendorfer and H. J. Favorite,
Special Agents



As Poor Richard said, "Diligence is the mother of good luck"

And diligence is not partial to season, time or weather, as Poor Richard would add today.

Right now, along with summer weather, baseball and golf, come the days of "special excursions." Diligence in the direction of the special lines that are particularly active at this time of year will bring good luck to the agent who practices it. For instance:

Automobile Insurance is a typical form of insurance for summer development. The tremendous increase in motor car owners makes the need for complete protection greater than ever before.

Rain Insurance has proven its worth time and again at baseball games, lawn fetes, excursions, sales and a dozen other places.

Tourist Baggage Insurance. Vacation time is here. Everyone planning a trip for business or pleasure should know of this form of protection.

Start now on a "special excursion" for new business along these lines and others. And remember that The Franklin Fire has new literature on each of the aforementioned Insurance covers available to its agents to help them secure business.

The Franklin Fire offers to agents a wide range of insurance covers. Well qualified agents in territories where this Company is not already represented, are invited to investigate the advantages offered by this old established Company.

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DETROIT BUFFALO RICHMOND

years with the T. E. Braniff Company, as well as seven years as manager of the Arkansas Actuarial Bureau, has opened an adjustment office in Harlingen, Tex. Mr. Speed will, in addition to his loss adjusting, manage his properties in that section.

Texas League Games Covered

All Texas League ball games scheduled for July 4 were covered for rain insurance for the seventh successive year by Edward M. Polk, local agent at Corsicana, Tex., whose records show the insurance companies have paid out much more money than their premiums have netted on the ball games.

Texas Notes

M. A. Shumard, formerly in the insurance business in Dallas, died Friday at his home at Boerne, Tex.

Rorick Cravens of the general agency of Cravens, Dargan & Co., Houston, Tex., sailed from New York for Europe on Wednesday of this week for a six-week vacation.

Four men were hurt and large property damage done in the two oil fires at Crowell and Sewell, Tex., last week. The year's loss from oil fires has already reached millions of dollars.

Fire Chief Tom A. Meyers, who held that position in Dallas for 47 years, and is largely responsible for the great efficiency the city has attained in fire-fighting methods, retired July 1 and Rod Gambrell was appointed to succeed him.

Sam Hayden Ellis was found guilty of being an accomplice and given a two-year sentence for arson Friday afternoon in criminal court at Dallas. He was alleged to have employed J. S. Farrington to burn a house owned by Ellis Aug. 26, 1926. Farrington is also under indictment charging arson.

Automatic sprinklers caused $20,000 damage to stock and fixtures of the Higginbotham-Bailey-Logan Company at Dallas Thursday, when waste material in the cutting-room caught fire. The sprinkler flooded the seventh floor and water poured through to the overall factory on the sixth floor before arrival of the firemen, who turned off the sprinkler system and extinguished the remaining blaze with chemicals.

As a result of the instructions in fire-fighting which have been given by the Dallas fire department to large industries during the last year, a serious fire and probable fatalities was confined to small damage when employes of the Brannon Cleaning Company's plant, upon discovering flame had been caused by a visitor with a lighted cigarette, closed all doors, turned on live steam and extinguished the blaze before it spread to adjoining buildings.

Oklahoma Notes

Frank D. Zeliffe, Oklahoma state agent for the American Eagle, left Saturday for a vacation trip to Chicago and other northern points.

Gladys Perdue, formerly with the Oklahoma Inspection Bureau, has been made private secretary to the secretary of the state insurance board.

Henry Brazil, special agent for the Southland Life of Dallas, Tex., with King G. Price, has organized the Price & Brazil agency at Norman, Okla. The agency plans to write all lines of insurance.

Fire destroyed three business buildings at Fletcher, Okla., with estimated loss of $20,000. The companies burned out are the Fletcher "Herald," Fletcher Produce Company and the Lerow repair shops.

J. G. Hayden, Oklahoma state agent for the Retailers Insurance company, is expected home from a four weeks' motor trip to Michigan, July 9. On the trip Mr. Hayden visited his former home, Three Rivers, Mich.

Loss estimated at nearly $150,000 was entailed by a fire, which destroyed the broom factory within the walls of the Oklahoma state penitentiary at McAlester. Some damage was suffered by the overall factory which adjoins.

IN THE SOUTHERN STATES

GET TOWNS IN HIGHER CLASS

Kentucky Actuarial and Audit Bureaus to Make Special Drive for Improving Local Fire Protection

George Parker, manager of the Kentucky actuarial and audit bureaus, in talks before the Kentucky local agents last week said that a special effort would be made, beginning next fall, to get the 95 Kentucky towns of 500 or more population, now without fire protection, to act favorably on the purchase and maintenance of fire apparatus. He is confident that these towns can be induced to protect their property. Of the 432 rated towns in the state, 134 are in Class 9 or better and 151 are protected towns. Only 100 of these were protected in 1915. At the present time 14 Kentucky towns are making improvements. Within the past three years Kentucky towns have bought 58 new pieces of motor fire apparatus, outside the city of Louisville. The bureaus now have 99 employes, of which 55 are engineers and inspectors and 44 clerical assistants. These employes are located in one main and six branch offices.

Rating Work Heavy

In addition to handling the classification of the smaller towns in the state, the actuarial bureau has 478,000 published rates to keep up to date, working on the plan of rerating each five years. There are 525 sprinklered risks in Kentucky, an increase of 325 in the last ten years. At the present time an average of one new sprinklered risk is added in Kentucky each week. These risks are gone over twice a year.

The audit bureau sends about 300 correction tags a day to agents in the state. A careful check-up of audit bureau work shows that the audit bureau itself has been in error in only 2 percent of the cases handled. The agents of the state have cooperated with the audit bureau to the fullest extent, and the 508 tags over 60 days old now in the files of the bureau are concentrated on daily reports from only 20 agencies of the state.

TOBACCO PREMIUMS DECREASE

Unseasonable Weather Conditions Have Prevented Planting of Normal Crop Throughout Kentucky This Year

Insurance premiums based on the Kentucky tobacco business are expected to show a marked decrease this year because of the decreased acreage. Unseasonable weather conditions have prevented the planting of a normal crop and it is believed by observers that the cut in crop has amounted to as much as 40 percent. This entire year is to be one of unusual conditions in the Kentucky tobacco field, since the five-year tobacco pool agreement has expired and it is uncertain just what response the tobacco growers of the state will make to a proposal for continuation of the pool method of handling the crop.

From the insurance viewpoint, the pool method undoubtedly increased the moral hazard on the tobacco risk. Before the pool method was used in the state companies would write as high as $200 an acre on the tobacco. Now the maximum is $100 an acre and most of the companies do not want to write more than $75 per acre. When the crop was held in the pool merchants and landlords found that the credit extension burden became too heavy and finally began to put a check to liberal credit facilities. This in turn caused the tenant tobacco grower himself to become dissatisfied and the consequence is that when new association contracts are presented to the tobacco growers about Oct. 1 of this year, it is believed by some that not more than 15 percent of the growers will sign up.

Should insurance conditions become the same as before the association marketing plan was used, there would be a marked increase in the tobacco premiums in Kentucky. The tobacco hail season starts about July 1 in Kentucky.

Recovers From Water Company

LOUISVILLE, July 5—The Kentucky court of appeals recently held that J. B. Carter of Harlan, Ky., was entitled to recover $3,000 from the Harlan Water Company, for its failure to furnish water pressure sufficient to enable the Harlan fire department to extinguish a fire which destroyed a brick building owned by Carter. Mr. Carter sued for $10,000. Proof showed that he had recovered insurance of $5,000. The appellate court fixed the value of the building at $8,000, deducted insurance collected, and held that he was entitled to collect the balance, $3,000.

Louisville Fire Department Changes

LOUISVILLE, July 5—Edward A. McHugh, a former captain for eight years in the Louisville fire department, has been appointed chief of the department to succeed Maj. Alex Bache. Samuel Rees becomes assistant chief. Chief McHugh had about 20 years experience with the department, but has been out of it for seven years. Mr. Rees was formerly a battalion chief, and saw service with the salvage corps and Camp Taylor fire department. Major Bache asked retirement on pension, which was allowed, having spent 30 years in the department.

New Kentucky Mutual

The Union Insurance Company, Lexington, Ky., has been incorporated by E. L. Harrison, T. S. Jarboe, P. Daily, E. A. Barker, L. A. Barker, John V. Dickinson and Frank McKee. It is reported that it will be a mutual, handling farm risks. It has been chartered by men active for years in operation of a string of farmers' union stores in central Kentucky.

Send Questionnaire to Button

RICHMOND, VA., July 6—Commissioner Button of Virginia is in receipt of a questionnaire from the legislative commission probing rates in that state. It contains a total of 60 questions bearing on the Virginia rate situation. Not only is he asked to supply a mass of detailed information, but his views and opinion are sought as to methods employed by fire companies in Virginia. Before resuming its inquiry the commission announced that it was planning to give special attention to "very large increases made recently in various types of automobile casualty insurance." It also planned to probe workmen's compensation and other casualty rates.

Virginia Blue Goose Meeting

The Virginia Blue Goose will hold its annual summer splash July 13 at Virginia Beach. Officers and delegates to the grand nest meeting will be elected. A class of goslings will be initiated. Invitations have been extended to the Chesapeake and Carolinas ponds to attend.

Companies Leaving Mississippi

Concern over the heavy fire losses in Mississippi was revealed at the annual meeting of the Mississippi Rating Bureau at Jackson last week. Bad loss experience has caused a number of companies to withdraw from the state and large property owners are having increased difficulty in obtaining sufficient coverage.

John Sharp Williams III of the Insurance Commission was a guest at the meeting and spoke on "The Valued Policy, Arson and Fire Marshal Laws." He gave it as his opinion that the valued policy law should be repealed, that by its severity the arson law defeated its purpose and that the fire marshal law is inadequate and should give way to a more modern statute.

Consider Bank Agencies

The executive committee of the Virginia Association of Insurance Agents held a session in Roanoke last week, discussing bank agencies and other questions. It was stated that most of the time was devoted to the question of bank agencies, but no definite action was taken. The committee, it was stated, also went over some of the details of the program for the annual convention of the association to be held at Virginia Beach in September.

Interfering Motorists Cited

RICHMOND, VA., July 6—Richmond fire department officials are determined to break up the practice of motorists flocking to fires in the wake of the department's apparatus and parking their cars in the fire zone. The practice, long in vogue, causes traffic congestion and interferes seriously with the effectiveness of the department. A number of motorists were cited to court the other day for blocking the apparatus and jamming the danger zone in a narrow street while a fire was in progress. Fire Chief Joynes announced that he would continue to cite them to court until the practice is broken up.

Settled Case Out of Court

After being on trial for several days in federal court at Roanoke, Va., last week, suit of the Patrick Jobbing Company of Stuart, Va., against eight insurance companies for recovery of $38,500 carried on a stock of goods in its store which was destroyed by fire, came to a sudden close when it was announced that an agreed verdict of $14,000 in favor of the plaintiff had been reached. The store burned on the eve of the day set for its formal opening.

Kentucky Notes

Charles Milliken, of the Milliken-Plamp Co., Louisville local agents, has been named superintendent of the Louisville city hospital by the new board of public safety.

Commissioner Saufley of Kentucky spoke at the mid-summer meeting of the Kentucky Press Association, at Mayfield, on politics and pardons, arguing against free pardoning of crooks to prey again on the public.

Charles G. Tachau, of the Louisville local agency of E. S. Tachau & Sons, recently reported to the police department that thieves had ransacked his home in the county, getting a diamond ring valued at $1,000.

Virginia Notes

Felix Keegan, associated for some years with the local agency of Robert Lecky, Jr., in Richmond, Va., died last week, aged 67.

Miss Florence Campbell Pierce, daughter of Maj. W. L. Pierce, local agent at Christiansburg, Va., is to be married soon to Robert E. Brown, Jr., of Richmond.

Henry L. Rose, grand keeper, will represent the grand nest of the Blue Goose at the meeting of the Carolinas pond at Kanuga Lake, N. C., July 13.

PACIFIC COAST

AGITATION ON SHINGLE ROOFS

National Board Makes Strong Appeal for Support of Ordinance Pending in San Francisco

SAN FRANCISCO, July 6.—"No more shingle roofs" is a slogan which is causing much agitation among property owners in San Francisco at present. For several months there have been many protests from builders and property owners anent the proposed ordinance presented to the supervisors of San Francisco prohibiting the covering of all structures in any part of the city with wooden shingles. This affects principally the outlying districts, as such roof covering is not permitted in the business sections. The Spanish style of architecture so much in vogue here, where tile roofs are a part of the construction, naturally lessens the number of dwellings with the shingle roofs, but there are many of the latter and if the ordinance should pass it may be it will carry with it a provision requiring all property owners who have shingle roofed buildings to substitute fire retardent covering. Fresh impetus to the agitation has just been brought about by the National Board, which has made the following public appeal to the citizens:

"There are two kinds of conflagrations, and San Francisco has suffered both. Fire spread by heat wave from the original blaze is the first and much less usual type of conflagration. A typical example was the fire of 1906. Far more common are conflagrations spread by flying brands. Such fires have occurred in all parts of the country, and they will continue to occur as long as wooden shingles are in general use. In San Francisco the Ewing Field fire was an instance of a conflagration spread by



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Complete information on new cars, including prices, specifications, type of motor, etc.

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Used car appraisals on all models from 1919 through 1926, including discontinued cars.

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Automobile data on all cars manufactured from 1917 to 1925 with all the various types and their capacity. Shows models, serial numbers, price of car when new, etc.

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Truck appraisals 1917 through 1924, covering Ford, Chevrolet, Reo and Dodge.

Let "Auto Appraisal" aid you in the successful underwriting of automobiles. Complete information—samples of the bulletins—pages from the manuals—and a list of the prominent users of our service will be sent at your request.

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The Western Automobile Casualty Co.
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Established in 1910 — Operating in 18 States

Combined Assets - - - - **$2,635,409**
Combined Capital and Surplus, **$1,059,040**
Cash Income, 1926 - - - **$1,733,186**

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shingles acting as flying brands. Within this state there has been ample evidence that wooden shingles continually offer this hazard, that conflagrations of this type are not rare or exceptional, and that the danger of conflagration is constantly present wherever there are wooden shingle roofs. Even in its recent history California has had an appalling experience with the shingle hazard. At the Berkeley fire in 1923, 92½ percent of the buildings burned had wooden shingles. On the same day as the Berkeley fire, Boyes Springs suffered a conflagration involving 240 buildings, and Marysville had a conflagration in July, 1921, spread by shingles from a burning barn to other shingle roofs. At the Ewing Field fire 48 buildings were ignited. Each of these conflagrations was due to flying brands, burning shingles carried by the wind. No other material used in building offers this hazard. San Francisco has had her full share of conflagrations. Her citizens will support every measure adequate to remove conflagration hazards. Now, the supervisors of San Francisco have before them an ordinance requiring roofs to be of fire retardent materials. All who are interested in the safety of the city and of their own property await the enactment of this ordinance."

Apple Business Not in Favor

SAN FRANCISCO, July 6.—The Weenatchie and Yakima valleys are known throughout the United States as the great apple growing districts of the west coast, and fire companies derive a considerable revenue from the coverage of apples in storage. Some of the companies, however, do not look with favor on this class, owing to the very high loss ratio for the past few years, attributed chiefly to the moral hazard.

It seems that in 1923 there was a poor crop of apples on account of frost, and a large quantity of the fruit saved went up in smoke after being warehoused. Then in 1924 a very low price for apples was established, hence another touching of the moral hazard switch button. Again in 1925 came labor troubles, and last year a car shortage was in evidence, with a loss to the growers and a consequent loss to insurance companies. Thus far this year, no unusual circumstance has been brought to light and the companies writing the class are hoping for more satisfactory results.

Enthusiastic About Campaign

SAN FRANCISCO, July 6—Jay W. Stevens, chief of the fire prevention bureau of the National Board in San Francisco, returned last week from a circuit trip of the United States, taken in the interest of the fire chiefs' "1927 is fire prevention year" campaign. He was enthusiastic over the apparent success of the cooperative campaigns which are reaching the people of the country this year and which, he says, have already brought about a marked decrease in the volume of losses throughout the country and Canada.

Premiums Off, But Losses Low

SAN FRANCISCO, July 5.—A canvass of general fire and brokerage offices in San Francisco develops that the first six

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SAN FRANCISCO

months of the year have not been busy ones in point of premium income, but consolation is taken in the corresponding low loss ratios. At this season of the year it has been the practice of most offices to employ a large amount of temporary extra help in order to offset the shortage of regular forces on account of vacations. This year, however, temporary employment is not in evidence, as the company officials find the vacation periods can be bridged without the necessity of calling in any outside assistance, owing to the smaller number of daily reports being received.

McClure Kelly Honored

SAN FRANCISCO, July 6—In recognition of services rendered and the esteem in which he is held, McClure Kelly, Pacific Coast manager for the North America and the Northern of New York, has been presented with a ship's clock by James Marshall, vice-president of the Northern, who has been in San Francisco. The Northern will establish its own Pacific Coast department office in San Francisco Sept. 1.

New Automobile Special Agent

Ernest S. Nelson has been appointed automobile special agent for the Fireman's Fund, Home Fire & Marine and Occidental Underwriters for Oregon and Washington.

Utah-Idaho Blue Goose

Officers elected at the annual meeting of the Utah-Idaho Blue Goose at its annual meeting include: Clarence Douglass, most loyal gander, succeeding Hugh S. Coburn; J. H. Roberts, supervisor; J. H. Branscomb, custodian; W. S. Gearheart, guardian; A. J. Snow, keeper, R. W. Dwyer, wielder.

Drastic Rules on Fireworks

DENVER, COLO., July 5—This city and its mountain parks were protected by drastic orders over the Fourth of July. C. D. Vail, manager of parks and improvements, and Reuben W. Hershey, manager of safety and excise, issued orders restricting the sale and use of fireworks.

All types of fireworks are prohibited in the mountain parks. Only smaller fireworks specialties were permitted in the city.

Attend Wyoming Firemen's Convention

DENVER, COLO., July 5—Fire Chief John F. Healy of Denver is attending the Wyoming state firemen's convention at Caspar, Wyo.

Chief Healy led the Denver delegation, which consisted of Clinton Turnbull, secretary of the Colorado Firemen's Association; L. A. Bailey, engineer of the Mountain States Inspection Bureau; W. E. Fulkerson of the inspection bureau, and Julius Pearse, president of the Julius Pearse Fire Department Supply Company.

Coast Notes

Withdrawal from Oregon of the Ohio Millers Mutual is announced this week by Commissioner Lee.

Walter E. Gray, special agent, has opened a branch office at Portland, Ore., of the Hartford Fire and Hartford Accident. Heretofore only a service office has been maintained there.

Cosgrove & Co. of San Francisco have opened a branch at Portland, Ore., in charge of G. R. Merriam, who has been representing the company here on a part-time basis. Mr. Merriam was formerly with the Oregon Insurance Rating Bureau.

Arthur M. Brown, senior member of the general agency firm of Edward Brown & Sons, has just returned to San Francisco after an extended business trip, visiting the home office of the Agricultural at Watertown, and also New York, Chicago, Spokane, Seattle and Portland.

Miscellaneous Notes

President Charles L. Tyner of the Home of New York, who has been abroad for some weeks, has arrived home.

The Sentinel Fire, running mate of the Springfield Fire & Marine, has placed its metropolitan agency with Lockwood Brothers of New York City.

C. M. Campbell of Philadelphia, manager of the automobile department of the North America, is making a trip through western territory.

With a view of providing better fire protection to the business district in the city and also to the northwest sections of the city, contracts will be awarded about July 18 for the erection of a new fire house at Altoona, Pa.

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NEWS FROM EASTERN FIELD

STATE FIRE FUND DEPLETED

Cutting off of Pennsylvania Income in 1919 Following Favorable Experience Has Reduced Assets

PHILADELPHIA, July 6.—Pennsylvania's self-insured state buildings, valued at hundreds of millions of dollars with their invaluable contents, have been placed in a risky position by the depletion of the state's fire insurance fund. Announcement was made last week at Harrisburg that the fund had on May 31 a balance of $520,000, but that more than $400,000 of this would be needed to replace the main building of the Morganza Training School and the equipment of the state printery, which were destroyed by fire last spring. With the exception of several normal school buildings, which carry perpetual fire insurance policies, there is no private insurance carried on state buildings. The commonwealth has been its own insurer since 1915. The fund cannot be replenished except by an act of legislature, which will not meet again until January, 1929. In case of another disastrous fire, a deficiency appropriation will be necessary, or the governor must call a special session of the legislature to make a regular appropriation.

The legislature of 1915 started the fire fund when it passed a measure appropriating 50 percent of the receipts from the tax on the Pennsylvania business of foreign fire companies for the state fire fund. The law provided that when the fund reached a total of $1,000,000, the excess was to be placed to the credit of the general revenue fund. In 1919 the amendment was passed permitting distribution of these foreign tax receipts to various political sub-divisions, and since that time the state has been drawing upon the old surplus built during the early and favorable experience with fire underwriting. The reason for the change in the law was this favorable experience, as in 1919 the fund turned back $250,000, having reached its legal limit of $1,000,000.

License Connecticut Adjusters

HARTFORD, July 6.—No person may hereafter act as public adjuster without a license in Connecticut according to an announcement made by Commissioner Dunham. The new law provides that any person acting as public adjuster must be licensed by the insurance department. The law does not apply to salaried adjusters in the employ of regularly licensed companies.

Commissioner Dunham said that he had not yet received any applications for such licenses, although it is a violation of law under penalty of fine and imprisonment for any person to act as public adjuster after July 1 without such license. A written examination is required to test the qualifications of the applicants.

General Adjustment Changes

Louis F. McIntyre has been appointed branch manager of Scranton, Pa., for the General Adjustment Bureau, succeeding the late Ralph Bab. Mr. McIntyre entered the insurance business in New York City about 14 years ago and has been a Bureau adjuster at Scranton since 1920. Arthur M. Zell has been transferred from the Charleston, W. Va., office of the bureau to the Scranton office. No other changes in the Scranton bureau staff will be made.

Extinguishers for "Hot Dog" Stands

BOSTON, July 6.—A unique step in New England and one which might contribute towards curbing fire losses is the order which has gone out from Boston that all roadside "hot dog" stands must be armed with fire extinguishers, and furthermore, must have a permit from the district forest warden. William A. L. Bazely, commissioner of conservation in Massachusetts has made this a state rule and all stands must have a permit and also two fire extinguishers or pumps on the premises.

EXPECT FIGHT ON PROPOSAL

Board of Fire Underwriters of Allegheny County Will Consider Amendment at Quarterly Meeting

PITTSBURGH, PA., July 6.—An amendment to the by-laws of the Board of Fire Underwriters of Allegheny County to repeal the rule authorizing members to appoint agents, subagents and solicitors not required to write policies and to be compensated as brokers, will be brought up for action at the quarterly meeting of the organization in Pittsburgh, July 14. If the amendment carries the following is to be adopted as a substitute:

"From and after Dec. 31, 1927, no member shall have more than one policy-writing agent within the corporate limits of the city of Pittsburgh with authority to accept risks and issue policies. An underwriters' agency shall be deemed an agency of the parent company or companies maintaining said underwriters' agency.

May Appoint Sub-Agents

"Members may appoint sub-agents and solicitors who shall not be authorized, however, to write policies, and shall not be compensated in excess of the compensation provided for brokers. All appointments in this class shall be reported to the committee on brokers and solicitors, which shall pass on their eligibility to act as such, and include their names on the list published or to be published to members." Provision is made for fining any member that violates the rule. Refusal to pay the fine imposed for infraction will result in suspension of the member until the fine is paid.

Opposition to adoption of the rule is expected to develop even among some of the companies that favor reasonable limitation of agencies. These companies feel that the rule is too stringent for a city the size of Pittsburgh. Many company men in the territory east of Pittsburgh are of the opinion that the amendment will not be adopted.

Dunham Calls Conference

Commissioner Dunham of Connecticut has called a conference of officials and agents of companies to be held at Hartford July 18. Changes in procedure in licensing agents, solicitors, brokers and public adjusters caused by legislation recently passed regarding agents' licenses will be the principal topic of discussion at the meeting.

Stand of Colors Presented

A stand of colors consisting of the American flag and a Blue Goose flag was presented to the Empire State Blue Goose at the summer meeting at Saranac Lake, July 6. It was a complete surprise to Most Loyal Gander Jordon. Past Most Loyal Gander Arthur J. Hughes made the presentation.

NEWS FROM CANADA

Irvine Western Canadian Manager

It was recently stated that George J. K. Irvine had been appointed Canadian manager of the New Hampshire Fire and the Boston with headquarters at Winnipeg. This was an error, as Mr. Irvine is manager for the western Canadian provinces, Manitoba, Saskatchewan and Alberta. The Canadian department headquarters of the New Hampshire Fire is in the Insurance Exchange building in Montreal and R. deGrandpe is manager there.

Gets "Hole in One"

WINNIPEG, July 5.—Playing in the "Black Trophy" golf competition, confined exclusively to employes and officials of fire insurance offices, J. R. Steele, an employe of the Western Canada Fire Underwriters Association, playing with G. Innes Mackenzie, honorary secretary of the Western Canada Golf Association, made a record by scoring a hole in one, probably without precedent in golf. Mr. Steele drove to the green at the fourth hole, 180 yards in length, the ball stopping within two feet of the cup. Mr. Mackenzie also drove to the green about three yards from the hole. Upon reaching the green, it was found that Mr. Mackenzie was stymied. He shot, hitting Steele's ball squarely and knocked it into the hole, giving Steele the hole in one. Mr. Steele, who received 14 strokes, won the match by two up and one to play.

British Columbia Fire Underwriters

At the annual meeting of the governing committee of the British Columbia Fire Underwriters' Association, John Anderson, branch manager of the Commercial Union, was reelected president, and Frank Rounsefell of Ceperly Rounsefell & Co., vice-president. The governing committee now consists of the above and A. W. Blake, Fred A. Burgess, F. Branch, Chester Deering, F. Gaston, J. Hunter Harrison, W. B. Hickman, R. Janion, R. Long and Kentish Rankin.

Big Sawmill Loss

During an electrical storm at Rockland, Ont., the big sawmill of the Canadian International Paper Company was struck by lightning, which caused a fire completely destroying the building, with all its machinery and contents. The estimated damage approximates between $100,000 and $130,000. Through the efforts of the fire fighters the fire was prevented from spreading to adjoining mill buildings, and the lumber yards not far away in which were stored several million feet of valuable dressed timber. The loss was covered by insurance.

Vancouver Agents' Election

At the annual meeting of the Vancouver, B. C., Insurance Agents' Association, H. J. Cave, retiring president, in his report gave the number of members as 160, being 100 percent of the agents of board companies operating in the city. He reported that there had been no legislation adverse to agents' interests.

The election of officers resulted as follows: President, W. P. Buchart; vice-president, John W. Wilson; secretary-treasurer, George L. Schetky; executive committee, A. E. Allerdice, H. J. Cave, A. McCreery, Col. E. F. Gunther, H. B. Holland, W. A. Lawson and M. Neville.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending June 22 are estimated at $585,300, as compared with $648,000 for the corresponding week of last year.

British Columbia Pond Election

The British Columbia Blue Goose at its meeting in Vancouver last week elected the following officers for the ensuing year: Most loyal gander, W. A. Lawson; supervisor, C. V. Wakely; keeper, Reg Long; custodian, G. Cyril Hodge; guardian, W. O. Banfield; wielder, B. W. Heyer. Past Most Loyal Gander A. Z. De Long and John W. Wilson are delegates to the grand nest, and Past Most Loyal Ganders Fred Burgess and H. B. Leuty are alternates.

Canadian Notes

Cook's, Ltd., Moose Jaw, Sask., have been appointed to represent the Sentinel Fire.

G. R. Johnson, Edmonton, Alta., has been appointed to represent the Equitable Fire & Marine.

Walter C. Hagan, a well-known insurance broker of Montreal, died last week. He was agent for the Guardian Assurance.

The Keith Stewart Insurance Agencies, Portage la Prairie, Man., have been appointed to represent the Boston and the New Hampshire Fire.

Opening of a branch office at Vancouver, B. C., by Chalmers Hall, president of the Hall Insurance Agency of Portland, Ore., is announced. The agency represents the Hudson, North River and the Commercial Casualty.

MOTOR INSURANCE NEWS

REORGANIZATION COMPLETED

Wolverine and Michigan Employers Casualty Are Merged as One Full Coverage Automobile Company

LANSING, MICH., July 6.—A reorganized Wolverine Insurance Company of Lansing, now an automobile-writing company exclusively, took the place this week of the old Wolverine and the Michigan Employers' Casualty. The new company is capitalized at $200,000 as compared with total capitalizations of the two old companies of $467,000, the Wolverine having previously had $320,000 and the Michigan Employers $147,000 in capital. The new Wolverine has a surplus of $300,000. An intensive drive for new automobile business will be launched throughout Michigan and to a more limited extent in Ohio, the only other state in which the company is admitted. In its new form, the Wolverine can take advantage of the Michigan statute allowing specialized auto companies to write all forms of auto coverage in a single policy.

The Wolverine management had for some time been emphasizing auto business more and more as it was found most profitable of the lines attempted. The compensation business of the Michigan Employers, the first Michigan company formed to handle that coverage after passage of a compensation law, has shown little or no profit for several years, it is said. This business was sold profitably, however, it is understood. Prosperity of the Wolverine was indicated by the fact that a 20 percent dividend has been authorized to holders of the old stock. The company will operate an agency writing all lines, it is stated to be known as the Wolverine Insur-Agency.

COMMENTS ON AUTO THEFTS

Newspaper Article Places Blame for Most Losses on Manufacturer's or Owner's Negligence

NEW YORK, July 6.—Commenting upon the theft of automobiles in the United States, the value of which it estimates at $300,000,000, the "Evening Post" of this city, said recently in part: "An analysis of the stolen car situation seems to vindicate the police and divide the responsibility between the manufacturers and the owners. Investigation discloses, according to the Studebaker Corporation, that most stolen cars were not equipped with locks, or else the owners did not take advantage of the protection afforded. The problem of protecting an automobile is in many respects one of psychology. During the first few months of ownership the purchaser will take every possible precaution. He will lock every protective device, no matter how many there are or how complicated their manipulation. As the months wear on, however, and his car remains undisturbed, he is apt to assume the attitude of 'it's the other fellow's car that gets stolen, not mine.'

Much Blame on Builders

"Loss sustained through automobile theft is actually even greater than the bare figures would seem to indicate. Most insurance companies require 60 or 90 days in which to search for the stolen cars before settling claims. During that time the owner is deprived of his machine. Viewing the problem through the eyes of the manufacturers, much of the blame which adjusters and police now place on the shoulders of owners must be assumed by the builders. The manufacturer is under a moral obligation to equip his car with locks which are

not only capable of protecting the cars but which are simple and easy to operate."

Automobile Theft Case

Subrogation as Against Warehouseman. An automobile was stolen from a warehouse in which it was stored, and when returned to the owner was greatly depreciated in value. The owner was insured against theft, and the insurance company discharged its liability to the owner by payment of a sum less than the total amount of damages the owner had sustained. Held, an action against the warehouseman for the benefit of the insurance company was properly brought in the name of the insured.—Smith vs. United Warehouse Co., Sup. Ct., Kan.

Auto Inter-Insurers Elect

C. T. Kiplinger, president of the Samson Auto Insurance Association of Freeport, Ill., has been elected president of the National Association of Automobile Inter-Insurers. G. E. Harsh of the Federal Auto Insurance Association of Indianapolis was chosen vice-president and H. G. Rockwood of the Continental Auto of Springfield, treasurer. It was reported that in Kansas a law will go into effect requiring 50 percent of the gross premiums be carried as premium liability instead of 50 percent of the net as heretofore.

Frank M. Rice, head of the Motor Car-United Underwriters of Chicago, is the retiring president. Mr. Rice is now putting a stock company in the field and will practically be out of the reciprocal business.

Announces Withdrawal from Michigan

LANSING, MICH., July 6—The Federal Automobile of Indianapolis, which has been a prominent reciprocal insurer in this state for a number of years, will formally withdraw from Michigan July 9, the Michigan department has been definitely informed. The withdrawal follows a citation recently by Commissioner Charles D. Livingston when the exchange was ordered to show cause why its license in this state should not be revoked. According to word received by the department, no effort will be made to reinsure Michigan business as the reciprocal will attempt to carry all existing contracts to expiration. Whether Commissioner Livingston will agree to this procedure has not been definitely stated, but it is presumed that he will, as withdrawal takes the company out of his jurisdiction and revocation of a certificate of authority is the only penalty he can impose upon an offending company unless there are grounds for prosecution.

Starts Automobile Club

The Casualty Association of America, a Detroit reciprocal which has been operating since 1921, has formed an automobile club called the Federal Motor

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JANUARY 1ST, 1927, STATEMENTS

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FIREMEN'S INSURANCE COMPANY
OF NEWARK, NEW JERSEY

ASSETS	CAPITAL	LIABILITIES	NET SURPLUS	SURPLUS POLICYHOLDERS
$27,602,649.57	$5,000,000.00	$17,796,927.66	$4,805,721.91	$9,805,721.91

ORGANIZED 1853
THE GIRARD F. & M. INSURANCE CO.
OF PHILADELPHIA, PA.

$5,648,862.17	$1,000,000.00	$2,938,563.59	$1,710,298.58	$2,710,298.58

ORGANIZED 1854
MECHANICS INSURANCE CO.
OF PHILADELPHIA, PA.

$4,452,703.00	$600,000.00	$2,748,734.22	$1,103,968.78	$1,703,968.78

ORGANIZED 1866
NATIONAL-BEN FRANKLIN FIRE INS. CO.
OF PITTSBURGH, PA.

$4,725,350.94	$1,000,000.00	$2,702,814.94	$1,022,536.00	$2,022,536.00

ORGANIZED 1871
SUPERIOR FIRE INSURANCE CO.
OF PITTSBURGH, PA.

$4,600,981.46	$1,000,000.00	$2,598,996.65	$1,001,984.81	$2,001,984.81

ORGANIZED 1870
CONCORDIA FIRE INSURANCE CO.
OF MILWAUKEE, WIS.

$5,261,240.00	$1,000,000.00	$2,942,034.49	$1,319,205.60	$2,319,205.60

ORGANIZED 1886
CAPITAL FIRE INSURANCE CO.
OF CONCORD, N. H.

$724,764.95	$300,000.00	$733.34	$424,031.61	$ 724,031.61

TOTAL ASSETS	TOTAL LIABILITIES	TOTAL NET PREMIUMS
$53,016,552.18	$31,728,804.89	$25,001,307.09

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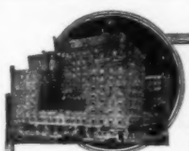
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Club. It will be operated in conjunction with the reciprocal concern.

Will Enforce Texas Law

AUSTIN, TEX., July 6—Announcement has been made by G. N. Holton, state casualty commissioner and member of the fire insurance commission, that although not a dollar is available from any source for the operation of the new law giving the commission jurisdiction over automobile insurance rates, the law will be enforced. Mr. Holton authorized the statement that he had conferred with the members of the railroad commission and they had agreed on an endorsement to be used in meeting the new motor bus regulation law which requires the motor bus lines to carry personal liability and property damage. This endorsement or rider is to be attached to policies which do not come up to the requirements of the railroad commission under the terms of the new law.

Advertises Lost Auto Policies

MILWAUKEE, July 6—The Star, through its special agent here, F. H. Huntley, has advertised that automobile policy numbers 4059 to 4155 inclusive, and 2056 to 2105 inclusive, in possession of David Vance Company, former agents for the company at Milwaukee, have been "lost, stolen, mislaid or issued and not accounted for." The Star is denying all liability under these policies and has requested that if they are found they should be returned to Mr. Huntley.

FRED S. JAMES BELIEVED IN EMPLOYING ABLE MEN

(CONTINUED FROM PAGE 7)

old Dayton, O., companies; Sherwood D. Andrus, now with the Inter-State Fire of Detroit; John F. Stafford, now western manager of the Sun; Francis Dana; Carl G. Whipple, who has been western general agent of the Union of Canton until it reinsured; Henry L. Bogue, who was formerly assistant secretary of the Grand Rapids; Whitney P. James, now southern California special agent of the Fred S. James & Co. companies; Dean H. Dresser, now assistant western manager of the National Fire; J. W. Hubbell, now president of the National Inspection Company of Chicago; W. L. King, who later became western manager of the Providence Washington; E. E. Wakefield, who formerly was eastern manager for Fred S. James & Co.; O. F. Wallin, now in New York, assistant United States manager of Fred S. James & Co.; J. P. Hubble, who became western manager of the Greenwich; H. T. Cartlidge, now western manager of the Liverpool & London & Globe, and others.

James Policy Carried On

The policy adopted by Mr. James has been carried on. The present organization of the National Fire in the west follows the same program that Mr. James laid down. W. H. Roadifer, now comptroller in the western department, went with Mr. James many years ago as chief accountant. He knew that Mr. Roadifer knew his business, paid him well, gave him entire charge of the accounting system and therefore developed one of the great insurance accountants of the west.

Had a Competent Secretary

Those who came in contact with Mr. James' office realized that Alice A. Lacey, his secretary, was one of the most competent women in her position. Mr. James had her in his employ when she was a young girl, she looked after his personal and business affairs and developed into a most competent private secretary. Mrs. Lacey is still on the job in Fred S. James & Co.'s office. These incidents simply show that Mr. James brought the right kind of folks in his organization and if they were equal to the task he kept them there as long as they would stay.

Reinsured Many Companies

During his day Mr. James made some excellent reinsurance deals for the National Fire and built the foundation for a large business in some of the western states. In his halcyon era he was responsible for taking over 20 compa-

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13

nies. Most important of these were the Grand Rapids, German of Indiana, Columbia Fire of Nebraska; Shawnee Fire of Topeka; Forest City of Rockford, Ill.; Miami Valley of Dayton, O.; Firemen's of Dayton; Iowa Home; Osage of Topeka; State of Nebraska; Insurance Company of Tennessee and others. Mr. James was able to get these companies on very favorable terms. In case of some of them he took over the underwriter. Charles Richardson, for instance, was taken to Chicago from the Firemen's of Dayton, later becoming second assistant manager of the National. Mr. Richardson was really the chief underwriter in the western department for a number of years. Mr. Cartlidge was taken over from the Shawnee. Mr. Bogue was absorbed with the Grand Rapids. The Columbia Fire of Nebraska plant was continued as the Columbia Fire Underwriters with C. O. Talmage in charge. The Forest City is continued as the Forest City department.

Cordial Personal Qualities

Mr. James aside from his business ability was a most genial and warm hearted man. It was through his personal and social connections that he was able to swing much influence. He lived well, he entertained much, he was popular and through his relationships brought much business to the National Fire and his local agency. He was a prince as a host.

Calumet Was Organized

When Henry Fowler, formerly Ohio state agent of the Home of New York, organized the Calumet of Chicago, he got to the point where he could not raise the last $150,000. He went to Mr. James and Mr. James succeeded in financing the rest of the stock and he became the dominant power in the company behind the scenes. The San Francisco earthquake and fire crippled the Calumet and caused Mr. James much personal distress and embarrassment.

Fine Specimen of Manhood

Mr. James was a magnificent specimen of manhood physically. He was as straight as an arrow, swarthy, well groomed, tall and impressive. He made a favorable impression wherever he went. Some years ago when he began to break, his friends were shocked at the disintegration of what was at one time one of the finest looking men in the insurance business in the west.

Shrank from Public Speaking

Mr. James was not a public speaker nor did he take part in discussions to any extent at meetings. He naturally shrank from bringing himself to the front in this connection. However, in the Western Union, the Chicago Board and other organizations he wielded a big influence. Sometimes the batteries of a number of competitors were leveled at Mr. James, but his fortifications were always well built and withstood attack. It is interesting to note that Mr. James was the last surviving charter member of the Western Union.

In connection with the field force that represented the National Fire there probably was never gathered together a stronger set of men, individual in character, aggressive, fighters and business builders. They carried the banner of the National throughout their respective territories and everyone knew that it was hung on high.

Started in Insurance Early

Mr. James spent almost all his life in Chicago. He was born at Barrington, Ill., near Chicago, Feb. 20, 1849. He became connected with the agency of Alfred James & Co. in Chicago at the age of 15 years. Alfred James was a brother and later became president of the Northwestern National, being the father of the present president. After five years Fred S. James was taken into the firm. Shortly after the Chicago fire of 1871 he opened his own local agency. Later he became western manager of the Fire Insurance Association of London, and the Boston Underwriters. He also became western manager of the Washington Fire & Marine of Boston, which was reinsured in the National in 1888. Mr. James was then given the western general agency of the National. Judge James Nichols, the president of the National Fire, was a fast friend of Mr. James. The two men were frequently together. It was often said that Mr. James never asked anything of Judge Nichols that the latter did not grant.

Blossom Enters the Agency

George W. Blossom became a partner of Mr. James in 1887 and later was appointed assistant western general agent of the National of Hartford. Both men, therefore, were intimately associated during a long period of years and brought together and developed one of the large local agencies in Chicago as well as looking after the western department of the National Fire.

Fred S. James & Co. opened an office in New York which has become one of the large agencies there. When later on Mr. Blossom retired from the National Fire's western management and later Mr. James took similar steps they became United States managers for the General of Paris, Urbaine of Paris and Eagle, Star & British Dominions. In later years, however, Mr. James faded from the picture and spent most of his time at Altadena, Cal., a suburb of Pasadena. He kept in touch, however, with the organization, but with the advance of years and the breaking of his health he found it impossible to carry on as he had. He had been in poor health for two years. Mr. James has three sons in the insurance business. Robert E. is head of Robert E. James & Co., Chicago local agents; Whitney P. is southern California agent for the Fred S. James & Co. companies and Louis N. is head of Louis N. James Company, brokers in New York City. He also left two daughters.

Mr. James died at the hospital Friday.

ACTUALLY REMOVES MYSTERY FROM U. & O.

(CONTINUED FROM PAGE 8)

make the points much clearer than any amount of explanation. An illustration is always clearer than a description, no matter how many words are used in the description.

Actually Removes the Mystery

The brief Foster book with its illustrations is worth more to anyone who wants to understand U. and O. insurance than anything heretofore published, regardless of size. It actually takes the mystery out of U. and O. insurance. It is not only simple and easy to understand, but it shows clearly that U. and O. insurance is really simple.

"Removing the Mystery From U. and O. Insurance" is sold at a low price, only $1.25 per copy, or four copies for $5. Order should be sent to THE NATIONAL UNDERWRITER, 1362 Insurance Exchange, Chicago.

INSURANCE BUSINESS DISCOVERS NEW FIELD

(CONTINUED FROM PAGE 7)

It is estimated that during 1925, 5,800,000 miles were flown and more than 700,000 passengers transported. Air transportation lines are operating regularly throughout England, France, Switzerland, Germany, Holland, Belgium, Denmark, Austria, Hungary, Roumania and Poland.

"An item of more than usual importance and interest is the fact that insurance rates for all risks, including theft of merchandise carried by air, are much less than on that transported by rail or boat. Financial matter, merchandise and freight of all kinds may often be transported by air with greater safety from loss or damage than by surface transportation. Gold and silver are being shipped across the English channel between Amsterdam, Paris and London.

One airplane last year carried over $4,000,000 in gold bullion."

Queen Pioneered

The Queen was the first of the American fire companies to assume the fire and collision hazard of airplanes. Other companies quickly entered the field and within a short time a dozen or more were writing the business. To unify underwriting practices, tabulate loss and other data and arrive at proper rates the companies formed the National Aircraft Association, which functioned only for a limited time, the experience of the member offices being such that one after another ceased to write the business. The principal reason was the severe collision losses occurring by planes "taking off" and landing. Today the Independence companies are about the only underwriting organization writing plane insurance on a large scale. The Hartford Fire and its ally, the Hartford Accident, accepts some business, as does the Indemnity of St. Louis. The Travelers grants limited casualty coverage.

Barber & Baldwin of this city, aviation underwriting agents for the Independence companies of Philadelphia, specialize in placing airplane insurance. The firm recently secured full indemnity for the 25 planes built by the Boening Air Transport Company of Seattle, formed to operate a mail and passenger carrying service between San Francisco and Chicago. Bowden, Gazzam and Arnold of Seattle, brokers, placed the line.

Barber Is Aviator

Horatio Barber, head of the New York underwriting firm, is an aviator of eight years' flying experience, having designed and built each of the 28 planes he used. He has also written a number of text books on aviation. Mr. Barber became convinced that aviation insurance could safely be written, and in 1912, while resident in London, induced a number of British companies to form an association for writing the business. The organization is still maintained. No individual company on the other side writes the business independently, all appreciating its hazard and the need for proper distribution of the liability. Mr. Barber came to New York some five years ago and at once specialized in aviation insurance, profiting by the wide experience gained on the subject on the other side.

Comprehensive aviation coverage—which embraces liability for loss from fire, lightning and transportation; accidental damage, theft, robbery and pilferage, public liability, passenger liability, property damage, tornado, cyclone and windstorm—as viewed by Mr. Barber produces the following advantages: (1) Minimum of gaps between coverages, and (2) generally, lower rates of premium, since the insurance company issuing such coverage will have a wider field to average over and will secure more premium with which to pay losses than would be the case if it wrote only one or two lines and very likely got only the more hazardous ones.

Other Hazards Covered

Indemnity under separate contract may be had covering personal accident, cargo risks, compensation, and employer's liability. The customary maximum liability assumed for accidental damage to the aircraft through fire or theft is $47,500; that for personal accident, $75,000 for any one person and for cargo $25,000 on any one consignment. Larger limits may be effected by special arrangement. Life insurance for professional aviators or for those traveling as passengers is granted by the United States Life up to a limit of $50,000, on a single risk. Ordinary rates are charged, plus a loading for the additional hazard. Should the assured abandon flying at any future time and so pledge himself the extra premium charge is removed.

Concerning the possibilities of developing aircraft insurance in this country, Mr. Barber said: "Until a short time ago it was seldom that I was required to cover an aircraft to a greater value than $10,000. Now I am constantly covering them at values from $25,000 to $40,000, and I think that within the next year or 18 months there will be aircraft valued at not less than $75,000 each that will require insurance. The premiums (predicated on 10 years' experience) amount to a good deal compared with the value of the planes. As a rule for one year's comprehensive insurance the premium will run from 20 to 25 percent of the value of the aircraft, and in some cases it will amount to more than that."

Field for Local Agents

As to the field of endeavor opened by aeronautics for local agents Mr. Barber considers it excellent "if agents will only make a thorough study of the application forms and policies and take the trouble to learn something about aviation," he said. "It is almost impossible for an agent to do this class of business if when he meets the aircraft owner he does not know one end of an airplane from another; is not familiar with any of the technical terms nor understands the peculiar hazards incidental to flying. I think that if an agent will inform himself properly in regard to this special line of business he will make fairly good money from the start and will, no doubt, lay the foundation for a larger business in the future." In submitting a line, Mr. Barber stated, it is imperative that the agent or broker not only thoroughly equip himself as to the extent and character of coverage granted by each class of indemnity, but that he clearly and fully answer all inquiries in the application blank. Failure to do so entails delay and possibly rejection of the risk. At present not more than half a dozen agents in the United States are specializing in aircraft insurance. One of the number recently placed a line carrying a $50,000 premium.

Though there is considerable pioneering yet to be done in aviation underwriting, as there unquestionably is in aerial navigation, that progress in both directions will be made from now on is unquestionable. It behooves company executives and their local representatives to be alert to the increasing opportunities.

INTERESTING INCIDENTS IN LONG CAREER CITED

(CONTINUED FROM PAGE 10)

years. There is no clause which is fairer. Without it there can be no equitable distribution of loss. In connection with this clause many questions have come up. Such questions as, 'Is a mortgagee bound by the provisions of the coinsurance clause?' are puzzlers. Answer to this particular question, it seems to be more generally accepted, that the mortgagee is bound to see that the property is insured up to the amount demanded by the coinsurance clause. He has it in his power to secure insurance as much as any one and has just as much responsibility in seeing that the insurance is up to the right amount. Hence, it is generally agreed he is bound by the provisions."

Using Bible in Adjustment

In citing one of the instances how resourceful an adjuster must be in making adjustments, Mr. Bament told the following story:

"There was a Quaker in eastern Indiana who had the 80 percent coinsurance clause on his policy. He had paid his premiums faithfully for many years and finally had a loss of $800. The good old Quaker carried only $800 of insurance, whereas the total value of the property was $2,000; he was a coinsurer to the extent of 50 percent. He could only collect $400. It was a difficult job to show the old Quaker why he should not receive the full remuneration for his loss, when he had been paying his premium year in and year out.

"So the adjuster called upon his resourcefulness. He said to the Quaker, pointing to the man's Bible: 'You know this book is full of conditions and promises. You know that unless you comply with them you can not go to heaven. Well, it is the same way with the insurance plan. The policy is just full of promises and conditions. But unless you comply with them you can not expect to enjoy the full benefit of those promises. Inasmuch as you have only partly complied with the conditions, you are only entitled to part payment of your loss.' The good old Quaker saw the point and was satisfied."

DE VAN FAVORS SINGLE INTEREST POLICY

(CONTINUED FROM PAGE 8)

efforts to bring into the association legitimate and qualified agents; recommending for consideration the use of the limitation clause on policies covering risks in unprotected territory; recommending to the association cooperative advertising in local papers, by local boards, or in the absence of local board, by groups of agents. A resolution on the subject of automobile clubs was as follows:

"Resolved, that this association urge all its members to support their local automobile clubs, and take an active part therein, not only as a means of discouraging the tendency of automobile clubs to go into the insurance business, but also to prevent the use of their clubs as a most tempting medium for promoting compulsory automobile insurance. Resolved, that our legislative committee and officers continue to discourage the passing of any compulsory automobile insurance laws, and obtain the data necessary to intelligently defeat this measure."

Kentucky Convention Notes

D. A. Brooks of Sturgis, Ky., one of the oldest agents in point of service in the state, attended the convention in Lexington. He was one of the early members of the organization. Mr. Brooks was introduced as one of the patriarchs of the association at the Tuesday evening banquet.

* * *

Frank Snyder of Louisville told the convention about the organization of the association in the old Phoenix Hotel in Lexington five years before the beginning of the present century. Mr. Snyder is one of the deans of the insurance business in Kentucky and has a wide acquaintance throughout the middle west. For a time after the death of Frank Ritchie, he acted as manager of the Cincinnati office of the Liverpool & London & Globe before that office was finally discontinued.

* * *

Kentucky insurance men are confident that the 12½ percent rate increase will stick. They expect the court case to be won and they do not look for any serious trouble to develop politically. At the present time while the state is going through a primary campaign to select candidates for governor and the state legislature, the insurance issue is not receiving any attention. The only candidate, or rather prospective candidate, who had shown signs of making it an issue, has withdrawn from the race.

* * *

S. M. Saufley, insurance commissioner of Kentucky, is popular with the Kentucky insurance agents. They believe he has shown a disposition to be fair in his dealings with them and with the public. Not only was Mr. Saufley at the Lexington meeting but his department was represented also by Mrs. Virginia Tuck, secretary to the insurance commissioner, and Mrs. Margaret Roper, special agent from Bowling Green.

* * *

Ed Miller, president of the Louisville Board, and one of the prominent Republicans of Louisville, will remain in his position as president of the Louisville Water Company in spite of the change in administration there. Mr. Miller until a few months ago held a position on the board of public works but then became president of the Louisville Water Company for a term of four years. On the board of public works he would have been removable and very probably would have been a casualty in the political turn-over at Louisville.

Flour, sand or earth is the most efficient extinguisher of gasoline or oil fires. The use of water only spreads the flame.

SOME RECENT COURT DECISIONS

(CONTINUED FROM PAGE 18)

Unincumbered—In Continental vs. Farlass, Court of Appeals of Kentucky, 293 S. W. 952, the plaintiff bought a farm at a commissioner's sale. He executed a bond for the purchase money in the usual form with a lien retained on the land to secure its payment. The plaintiff did not at that time pay for the farm.

Following this plaintiff procured insurance on the house and barn on the farm as well as a certain amount on the household goods. Thereafter the property was all destroyed, and plaintiff submitted proof of loss.

Liability Was Denied

By the express terms of the policy it also provided that it should be void unless the insured was the sole and unconditional owner of said property. When the company ascertained that plaintiff did not in fact own the property since he had not paid for it and the purchase price constituted a lien on the property it denied liability. Plaintiff filed suit and recovered a judgment in the lower court. On appeal the higher court, in reversing this judgment, said:

What the Court Held

"The application which he made states that there was no incumbrance against the property. It seems to us that it is material to the risk in a case where nothing whatever has been paid on the purchase price for the property, and when the incumbrance against it represents the total amount which the insured was to pay for the property. It is not a question of whether he knew of the falsity of the representation.

"It is only necessary to show that the representation was false and that it was material to the risk. It is shown by uncontradicted proof that the representation was material to the risk, and it necessarily must be so. When a man makes an application for insurance on his property it is his duty to make the fullest disclosure of every element which may affect the risk.

Information Not Given to Agent

"This is true whether inquiry is made about such elements by the agent; but in this instance appellee admits that he did not disclose to the agent that the purchase money was unpaid and that it constituted a lien against the property. The court should have sustained the motion for a peremptory instruction to find for appellant. The household goods were in the house which was insured and the farm products were in the barn, and there is no way to separate the insurance and say that a part of it was valid and a part invalid. Judgment is reversed and cause remanded for proceedings consistent with this opinion."

* * *

This action was based on policies insuring against a "loss or damage by fire originating from any cause except invasion, foreign enemies, civil commotions, riots or any military or usurped power whatsoever." Held that plaintiff's negligence in placing a pot, with ingredients in it for making soup, on a gas stove would not bar a recovery by her when she did not intend to have any other fire than the flame of the stove. Ellis vs. Norwich Union Fire, Sup. Jud. Ct. Mass.

* * *

The policy became void because the personal property insured became encumbered by a chattel mortgage. Held that when a policy has become void it cannot become valid by anything short of a new contract. Waiver or estoppel will not revive same. Inventasch vs. Superior Fire, Sup. Ct., Rhode Island.

Some one has said that there are not competent people enough in the world to go around, so some of us may get incompetent lawyers, doctors and insurance men—therefore be careful.

The National Underwriter

July 7, 1927 CASUALTY AND SURETY SECTION

HOBBS DRAFTS REPORT ON COAL MINE RISKS

Will Be Submitted to Executive Committee of Commissioners at Cincinnati Meeting

FEW WANT THE BUSINESS

Responses of Companies to Questionnaire Show Little Desire for Mine Compensation Cover

NEW YORK, July 6.—Clarence W. Hobbs, representative of the National Convention of Insurance Commissioners on the National Council on Compensation Insurance, is summarizing the result of his recent investigation of the coal mining insurance situation, which report he will submit to the executive committee of the National Convention at its meeting in Cincinnati July 19. It will be recalled that following the complaint of the coal mine operators that they were unable to get sufficient compensation insurance, the commissioners at their annual gathering in Los Angeles last fall named a special committee to study the general problem, selecting as its chairman Commissioner Button of Virginia. Subsequently the committee discussed the matter with company officials, the latter in turn appointing a committee, composed of both stock and non-stock carrier representatives, to work out a feasible plan for granting the indemnity. Several of the company men in accepting places on the committee made it very clear that such action by no means implied the readiness of their respective offices to assume coal mine risks.

Responses Not Encouraging

Later the Travelers offered a method under which it was felt coal mining properties might safely be granted the desired indemnity. This plan was laid before the company members of the National Council by Mr. Hobbs, with the request that each indicate its attitude. The responses, while numerous, were far from encouraging, the majority of the companies being fearful apparently of writing coal mine risks under any conditions in view of the previous loss record of the class. The Travelers, of course, indicated its entire willingness to assume the business under the plan it proposed, while certain other companies were similarly minded, providing it were written through a pooling arrangement, so as to distribute the catastrophe hazard. Yet other carriers declared for better rates, both for the loss cost and the service elements.

Five Companies Writing Business

About five institutions, including both stock and non-stock, are now accepting coal mining risks, the most aggressive of the stock writers being the Metropolitan Casualty of this city. A big factor in dealing with the business is the securing of adequate and dependable reinsurance facilities, the market for which is decidedly restricted. Last year the premiums received by all carriers on coal mining risks in the country totaled $4,267,000.

DISCONTINUES WRITING LIFE INDEMNITY PLAN

TRAVELERS ANNOUNCEMENT

Will Eliminate This Feature from Its Disability Insurance Contracts in the Future

The Travelers has made a most important announcement concerning changes effective July 1, in its commercial accident and disability forms. The company, beginning on that date, stopped issuing accident coverage paying life indemnity during period while insured should be unable to perform the duties of his occupation. All commercial forms issued by the company now provide that full indemnity will be paid for total disability which prevents performing the duties of insured's occupation for one year, but that after these 52 weeks full weekly payments would be continued only while insured was prevented by injuries from engaging in any occupation or employment for wage or profit.

Cuts Out Speculators

In its announcement of this change, the Travelers emphasized that the coverage is just as complete as it ever was for the man who is totally disabled but that it will offer the company an opportunity to put an end to the buying of accident insurance for speculative purposes.

The change made by the Travelers applies to the following forms: "Maximum," "Leader Accident," "Disablement and Dismemberment," "Accumulative Accident," "Incomparable Disability," "Leader General Disability" and "General Income Disability."

Loss Ratio Has Been High

The writing of disability insurance has been a constant battle to furnish adequate protection to the honest and legitimate claimant without opening the way for the practice of fraud and speculation on the part of unscrupulous buyers of insurance. While the volume of premiums in the disability field has been increasing rapidly of late years, the loss ratio has not been so satisfactory. Particularly last year, a number of companies found that automobile losses were adding heavily to accident loss totals.

Turn Toward Conservatism

As the Travelers is the leading writer of accident insurance and its practices have always been carefully considered by men long experienced in the business, this new announcement is believed by many to mark a possible turning point back toward more conservative underwriting and policy making in the accident field. The whole tendency of the past few years has been to broaden and liberalize the accident policy and many underwriters have been skeptical as to whether or not the new policy forms could withstand pressure of the unscrupulous and speculative buyer of accident insurance.

FIREMAN'S FUND LAUNCHES OCCIDENTAL INDEMNITY

TO OPERATE AS SUBSIDIARY

San Francisco Company Formed to Write Compensation Insurance for Stevedores and Dock Workers

SAN FRANCISCO, July 6.—Officials of the Fireman's Fund of San Francisco have completed the organization of the Occidental Indemnity Company, which has been formed for the purpose of writing compensation insurance under the provisions of the new federal compensation law for stevedores and dock workers. The company was launched in record time, having been organized, chartered by the state and licensed to operate, all within one week. It has a capital of $300,000 and a surplus of a like amount.

Under the California insurance code the Fireman's Fund cannot write the marine casualty lines as indicated by the new act and in order to qualify it was found necessary to organize a subsidiary company. No officers have as yet been announced. The first intimation that such a company was contemplated was when the license was granted by the insurance department and the names of J. B. Levison and Henry Rosenfeld, a director of the Fireman's Fund and well known financier of San Francisco, appeared on the bond. The firm was organized for the principals by the law firm of Goodfellow, Eells, Moore & Orrick, legal representatives of the parent company.

INCOMPETENT DRIVERS CAUSE MANY ACCIDENTS

ANN ARBOR, MICH., July 6.—A million incompetent drivers of automobiles in the United States contribute to making this nation's traffic accident problem one of the most serious questions of the day, according to Charles E. Hill, New York, general safety agent of the New York Central railroad and vice-president of the National Safety Council, in an address before the first annual session of the Michigan Industrial Safety Congress. Only 5 percent of the total number driving cars is made up of incompetents, Mr. Hill said, but even so small a percentage runs into huge numbers. Something of the problem out of which has come such developments as compulsory auto insurance was thus depicted by the speaker who maintained that the remedy for accidents lies in scientific study, education, and strict enforcement of safety laws. Uniform traffic regulations and some real qualifications for licensing drivers were urged as possible helps toward solution of the matter. The speaker contrasted the lax requirements for becoming an automobile pilot with the rigid qualifications for operating a locomotive. He held this difference to be partly responsible for the auto accident toll of 23,000 lives last year as compared with the railroads' 79.

The **New York Indemnity** announces the appointment of McMurtrie & Powell Agency Company as general agent for surety at St. Joseph, Mo.

CASUALTY COMPANIES STUDYING RESULTS

Underwriters Are Solicitous as to the Present Trend of the Times

RATES HAVE GONE DOWN

Some Classes Last Year Showed an Unprofitable Experience—Surety Had the Best Record

NEW YORK, July 6—Since the National Bureau of Casualty & Surety Underwriters issued its tabular matter showing the experience on various classes of business last year underwriters have been studying the sheets assiduously, going over every item and comparing the average ratios and the individual company experience with theirs. One of the most disconcerting features is the fact that the 1926 figures show an underwriting loss on some classes that have always been counted on to give a profit, notably automobile liability.

Figures for the Year

The net loss on all classes last year was $9,346,934 on earned premiums of $534,247,353. The incurred losses and claim expense amounted to $322,934,965; the production expense, $139,727,647; total loss and expense, $543,594,283. This gives 1.7 percent loss on the underwriting transactions of the year.

The total loss and claim ratio was 60.4 percent; the production expense ratio 26.2 percent; expense ratio, including claims ratio, 49.4 percent; general administration and tax ratio, 14.8 percent. In the accompanying table the main major classes of business are shown and it presents some interesting figures.

Profitable Classes

It will be seen that out of all the classes the only ones that produced an underwriting profit last year were surety, plate glass, burglary, steam boiler, credit and some of the small miscellaneous lines. Workmen's compensation came in for another big loss, it amounting to $11,675,092. Health insurance gave the companies a bad jolt, amounting to $2,651,096 loss. Other liability classes than automobile showed a loss of $3,141,399. Automobile liability, which showed a loss of $1,329,073, was the most disappointing because heretofore it has been counted on as one of the pet classes that companies desire to write.

Surety Had a Good Record

The biggest profit producer was surety; gave $6,926,505. If a company did not write surety it might be said to be out of luck. Plate glass and burglary treated the companies well, each contributing over $2,000,000 to the profit side of the books. Accident gave the companies a small loss last year. This is one of the lines that companies have

(CONTINUED ON NEXT PAGE)

NEW KANSAS RATES LIKELY TO BE TAKEN INTO COURT

RESIST COMPENSATION SLASH

Companies Hold That Only Other Alternative Is to Cease Writing of Class in That State

NEW YORK, July 6.—Instead of allowing the 11 percent increase in compensation rates in Kansas sought by the National Council on Compensation Insurance, held to be necessary in the light of the experience in the state for the completed years 1922, 1923 and 1924, and to take care of the added benefits and regulations in the new compensation law effective June 30, Commissioner Baker ordered an average reduction of approximately 5 percent from former tariffs. In other words, the companies are asked to write the business at rates 16 percent below those they hold to be necessary. In the light of this decision by the commissioner, two courses are open to the carriers unless meantime Mr. Baker radically changes his ruling. They must either cease writing further compensation business in Kansas or go into court and endeavor through such channel to compel the commissioner to grant the rates underwriters hold to be essential.

Likely to Go Into Court

It is regarded as unlikely that Mr. Baker will reverse his previous decision, and the companies are unwilling to cease transacting compensation business in the state, mainly for the unfavorable effect such action would have upon their other lines. The probabilities are, therefore, that they will appeal to the United States court, as they did a short time ago in Georgia when the ruling authority of that state declined to grant them adequate tariffs, and so seek to force the hand of Commissioner Baker. Sentiment in favor of pursuing such policy is quite pronounced among company officials in the east, both of stock and mutual persuasion. Definite decision in the matter will likely be reached in a short time.

Aside from the returns on coal mine risks, which are not affected by the present situation, the premiums on compensation business in Kansas approximate $1,250,000 annually. The chief insureds are packing establishments, lead and zinc mine operators and owners of oil wells and related industries.

Increases Under New Law

Under the terms of the new compensation law of Kansas the maximum death benefit is increased from $3,800 to $4,000 and burial expenses are allowed in all cases. Weekly compensation for total disability is now $18 as against the former allowance of $15, while the compensation for partial disablement is advanced from $12 to $18 weekly. Future lump sum payments must be computed on a basis of 95 percent of the total, instead of 80 percent as heretofore. The opposition of employers to the rate increase asked for was based on the contention that the companies had too often elected to make lump sum settlements, and that a saving in payments would be effected under the operation of the new statute.

The following table shows the amounts claimable for death and for permanent total disability and for the loss of various members of the body under both the old and the new law of Kansas, figured at the allowable discounts, and makes clear why the carriers are determined if they are to continue to transact compensation business in the state to get a proper premium:

Nature of Injury	Results Under Present Act	Results Under New Act	Incr. %
Fatal	$3,800	$4,000	
Disc.	682	166.70	
	3,118	3,833.30	
Med.	150	200	
Fun.	....	150	
	3,268	4,183.30	
Incr.	....	915.30	28
Perm. Total Dis.	6,240	7,488	
Disc.	1,170	351	
	5,070	7,137	
Med.	150	200	
	5,220	7,337	
Incr.	....	2,117	45
Loss of arm	2,520	3,780	
Disc.	441.60	165.60	
	2,078.40	3,614.40	
Incr.	....	1,536	74
Loss of leg	2,400	3,600	
Disc.	417.60	156.60	
	1,982.40	3,444.60	
Incr.	....	1,462.20	74
Loss of hand	1,800	2,700	
Disc.	297.60	111.60	
	1,502.40	2,588.40	
Incr.	....	1,086	72
Loss of foot	1,500	2,250	
Disc.	237.60	89.10	
	1,262.40	2,160.90	
Incr.	....	898.50	71
Loss of eye	1,320	1,980	
Disc.	201.60	75.60	
	1,118.40	1,904.40	
Incr.	....	786	70
Loss of hearing (both ears)	1,200	1,800	
Disc.	167.60	66.60	
	1,032.40	1,733.40	
Incr.	....	701	68
Los of hearing (one ear)	300	450	
Incr.	....	150	50
Loss of thumb	720	1,080	
Disc.	81.60	30.60	
	648.40	1,049.40	
Incr.	....	401	62
Loss 1st finger.	444	666	
Disc.	26.40	9.90	
	417.60	656.10	
Incr.	....	238.50	57
Loss 2nd finger.	360	540	
Disc.	9.60	3.60	
	350.40	536.40	
Incr.	....	186	53
Loss 3rd finger.	240	360	
Incr.	....	120	50
Loss 4th finger.	180	270	
Incr.	....	90	50
Loss great toe.	360	540	
Disc.	9.60	3.60	
	350.40	536.40	
Incr.	....	186	53
Loss of toe, (other than great toe	120	180	
Incr.	....	60	50

MUCH INTEREST IN NEW AUTO LIABILITY FORM

RAISE QUESTION ON NEW RATE

Discrimination Is Seen in Uniform Charge for Contingent Regardless of Make of Car

The question has been raised whether the new rate for employers' contingent automobile insurance is not discriminatory. It is pointed out that the rate is 4 percent of the "W" class, regardless of the kind of car that may be involved in the employe's accident on which the employer is sued. Agents are doing a big business on this form and the new rate is very convenient.

On the other side it is pointed out that the policy on contingent liability does not cover any specific automobile, and furthermore the rate applies to all employes whether they own automobiles or not. A concern that desires to purchase contingent automobile insurance on the new rate is charged for telephone girls, office boys, stenographers, etc., as well as "outside" employes.

There is no doubt whatever that on such liability an independent rate could be made, without reference to the automobile manual, and that such rate when independently established could agree to a penny with 4 percent of the "W" rate for each territory.

MESSENGER IN ACCIDENT AND COMPANY MUST PAY

SHOWS NEED OF CONTINGENT

Boy on His Own Bicycle Renders Employer Liable for $10,000—Boosts Automobile Cover

Contingent liability of employers received a striking illustration last month when a verdict was rendered against the Western Union Telegraph Company, in a court at St. Louis, Mo., for personal injury in an accident in which a messenger boy on a bicycle was involved. Ever since the famous Dillon case against the Prudential, agents have done a big business on contingent automobile liability for employers whose salesmen or other employes use their own cars, or cars belonging to their friends or others. A bicycle accident, of course, would not be covered under an automobile policy, but the fact that the Western Union Telegraph Company was held liable in the amount of $10,000 for injuries caused by a messenger boy on his own bicycle, clearly illustrates the need of protection for employers.

The suit was against the telegraph company and street railway company jointly and the verdict was against both. The plaintiff alleged that he was injured in an accident when he was struck almost simultaneously by the bicycle and the street car.

R. C. Pogge Establishes Office

R. C. Pogge, formerly a partner in the firm of Pogge & Lewis, has opened his own agency at 965 Insurance Exchange, Chicago. The Pogge & Lewis partnership has been dissolved. Mr. Pogge will represent the Republic Casualty for all lines as general agent. He will announce his office's fire connections at an early date.

RATE REVISION PLAN INTERESTS COMPANIES

EXPERIENCE UNDER SCRUTINY

Vice-President Moray of Hartford Accident & Indemnity Gives Plate Glass Men Subject for Thought

NEW YORK, July 6.—The thought of Norman R. Moray, vice-president and general manager of the Hartford Accident & Indemnity, to promulgate a series of independent plate glass insurance rates for use by agents of his company throughout the United States, unless the offices holding membership in the National Bureau of Casualty & Surety Underwriters and those subscribing to the service of the W. F. Moore office agree upon a satisfactory revision of existing tariffs on or before July 21, is of absorbing interest to plate glass underwriters. Both of the rate making bodies appointed a committee to study jointly the results under present rates. The companies represented by the Moore Bureau have had their figures in hand for some time, awaiting only word from the National Bureau men that they too are ready for a comparison of figures.

Based on a Series of Years

The tabulation of the former office is based on the results in different territories for a series of years, the record of any individual 12 months not being deemed sufficient to warrant either an advance or a decrease in rates. All rates are predicated on a base figure, reductions therefrom being granted according to general experience, due to causes not always definable. Ohio, with the worst general plate glass loss ratio in the Union, is one of the states in which some companies would like to have existing tariffs reduced, a course wholly unwarranted by experience.

Some Problems to Be Solved

Other managers favor modifications in particular cities on the Pacific coast, because of improved loss records in the recent past. Executives who counsel a conservative course, however, point out that if a rate reduction is allowed in one center a demand for like treatment is at once made by other communities, thus impellling a downward movement generally. It is further emphasized that if the plate glass business is now showing a profit the reverse was the case a few years ago, and in making money at present the companies are only recouping losses previously sustained.

Taxicab Rates Increased

The Lincoln Mutual Casualty has increased its rate on taxicabs to $38 per month for Yellow Cab fleets in New York City. The taxicab insurance situation is still unsettled and as yet the superintendent has not approved the rates of any company on this line. The companies writing the line are showing an increased desire to put the business on a safe basis and the Lincoln Mutual's increase was made with this end in view.

CASUALTY COMPANIES STUDYING RESULTS

(CONT'D FROM PRECEDING PAGE)

been seeking. It may be said that accident, automobile liability, other liability, fidelity, surety, plate glass and burglary are the lines that companies chiefly desire.

Inasmuch as the automobile liability premiums are second only to workmen's compensation, company officials will give this class particular attention. The results seem to indicate that the rates have been beaten down too far or that much more care must be taken in underwriting.

STATISTICS ON 1926 BUSINESS OF NATIONAL BUREAU COMPANIES

	Premiums Earned	Losses and Claims Exp.	Production Expense	Other Expense	Und. Loss or Gain	Loss Ratio Pct.	Acqui. Ratio Pct.	Other Exp. Ratio	Pct. Loss or Gain	Ratio
Accident	$ 34,969,944	$ 17,635,787	$ 12,588,803	$ 5,035,748	$— 349,089	50.5	236	14.4	—	1
Health	16,009,911	11,526,241	5,048,716	2,055,106	— 2,651,096	72	31.6	12.8	—	16.6
Auto Liab.	108,834,488	69,800,210	27,890,319	12,168,504	— 1,329,073	64.1	25.6	11.2	—	1.2
Other Liab.	52,051,977	32,959,336	12,807,752	9,019,346	— 3,141,399	63.4	246	17.3	—	6.1
Work. Comp.	136,137,191	104,026,265	23,669,769	19,142,412	—11,675,092	76.5	17.3	14.1	—	8.6
Fidelity	33,461,438	17,679,289	10,318,141	6,009,758	— 602,987	52.8	30.8	18.0	—	1.8
Surety	49,187,148	16,986,830	16,641,148	8,511,813	+ 6,926,505	34.5	33.8	17.3	+	14.1
Pl. Glass	14,429,807	5,178,007	4,976,018	2,071,879	+ 2,200,004	35.9	34.5	14.3	+	15.2
Burglary	25,445,432	10,950,498	8,111,599	4,275,208	+ 2,003,716	43.0	31.9	16.8	+	7.9
Steam Boiler	6,146,032	1,151,156	1,883,160	2,980,491	+ 198,660	18.8	29.8	48.5	+	3.2
Eng. & Mach.	2,815,588	783,086	10,574,411	1,211,402	— 238,872	27.8	37.6	43.0	—	8.5
Auto P. D.	39,339,215	24,798,920	10,667,830	4,426,267	— 630,834	63.0	27.1	11.3	—	1.6
Auto Collis.	10,085,663	7,047,030	2,662,404	1,080,549	— 725,221	69.9	26.4	10.7	—	7.2
Other P. D. & Col.	1,829,968	1,037,479	431,472	211,057	+ 134,234	56.7	23.6	11.5	+	7.3
Credit	2,381,045	808,430	723,738	370,961	+ 481,948	33.9	30.4	15.6	+	20.2
Sprinkler	902,979	495,581	255,648	159,908	— 14,554	54.9	28.3	17.7	—	1.6
Miscel.	259,527	700,816	43,696	27,443	+ 65,716	33.8	20.8	13.1	+	31.4

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"Ambulance Chasers" and "Shyster Lawyers" Cause Heavy Drain on Companies

FRAUD RINGS DISCLOSED

Some Casualty Officials Consider Time Has Come for Concerted Action Against Professional "Sharks"

NEW YORK, July 6.—"Ambulance chasers" and "shyster lawyers" have ever been a curse to the casualty business and insurance companies are forced to pay out heavy sums each year because of the constant activity of these individuals. Accidents resulting in trivial injury to persons or slight property damage, for which the average individual would not ordinarily think of making claim, are seized upon by professional claim sharks and made the basis for threatened damage suits unless the extortionate damands for compensation are complied with. While occasional demands of this character are challenged, in too many instances the insurance companies follow the line of least resistence and expense and settle upon a compromise basis. This tends to encourage the continued aggressions of the professional sharks. The extent to which the practice of prosecuting faked claims or those of but trifling merit has developed is attested by the recent exposure of organized gangs of claimants in this city and in Philadelphia, and the attention now being given the matter by grand juries.

Suggest Associated Effort

To meet the situation the suggestion is offered that the casualty companies either through the medium of one of their several established bureaus or by the creation of a separate body, fight all fake claims to a finish and at common expenses. Such action no individual office can well afford to undertake, but it could easily be accomplished and at a minimum of cost through associated effort. Through such a central organization the names and methods of professional claim sharks would readily be learned, and if these gentry discovered, as they speedily would, that all unjust claims would be bitterly contested and they would have to wait years before getting final judgment, if indeed, they every received such award, their interest in the business would come to a speedy termination.

Property Owners Took Action

When the number of claims filed against the owners and tenants of buildings in certain sections of this city became so numerous that casualty companies declined longer to write the business, the property-owners formed a defensive organization, employed skilled legal talent, and while meeting all legitimate claims for injury promptly and fairly, resisted to the utmost all unworthy demands, defending them vigorously in the court, when compelled to, but in the great majority of instances witnessing the termination of the case when the attorneys for the injured persons appreciated they were in for a stiff fight.

As illustrating the profit there is in claim chasing, a reputable lawyer of this city was recently approached by a shyster who proposed that they join forces in handling accident claims, the attorney being assured of an annual income of not less than $15,000 and being told that his only part in the game would be to write form letters to insurance companies for alleged injuries suffered by their assureds, or rather for which their policyholders might be liable. This may be an extreme case, or the ambulance chaser may have been drawing upon his imagination in his eagerness to get a reputable attorney to link up with an unsavory practice, but that thousands of dollars are paid out for fraudulent claims every year, and that shyster lawyers in considerable number do little else for a living save to handle such cases, is undeniably true.

Through the medium of various organizations the fire insurance companies do not hesitate to prosecute suspected arsonists, nor to contest claims believed after investigation to be wholly without merit, and in doing so they are not only defending the interests of their honest policyholders but are acting for the public weal. The suggestion offered by a leading official that the time has arrived for the casualty offices to form a similar offensive and defensive alliance for dealing with professional claimants and their lawyers, is worthy of careful consideration by the interested fraternity.

WORKMEN'S COMPENSATION

SHOW LOSS FROM ACCIDENTS

Michigan Industrial Safety Congress Speakers Indicate Compensation Cost Is Not Greatest Burden

ANN ARBOR, MICH., July 6.—Welding of the state's industrial safety forces into a coherent group which may be expected to show results within the next few months or years in decreased industrial accidents and better conditions for compensation carriers is believed to have been accomplished at the first Michigan industrial safety congress held here last week. Eugene J. Brock, chairman of the compensation commission of the state department of labor and industry, was president of the congress and the state department more or less sponsored the event.

John L. Lovett, manager of the Michigan Manufacturers' Association, told why safety measures are economically valuable to the average employer and he maintained that payment of compensation is not the greatest loss coming of an accident but the replacement of the man. Representative Frank Wade, president of the Michigan Federation of Labor and cosponsor of the Wade-Bartlett compensation act raising the rate in Michigan through action of the 1927 legislature, offered fullest cooperation of the organized workers with their employers in perfecting safety policies. Among the speakers were Richard E. Vernor, Chicago, manager fire prevention department, Western Actuarial Bureau: Governor Fred W. Green; E. F. Corn, Chicago, field representative of National Safety Council; L. W. Wallace, Washington, American Engineering Council secretary.

Does Not Have Veto Power

LINCOLN, NEB., July 6.—According to a decision just handed down by the supreme court in the case of Jackson against the Ford Motor Company, the state compensation commissioner does not have the power of veto on lump sum settlements in cases arising under the employers' liability law where the injury results in death or permanent disability. The court says that the final power lies in the courts. Jackson had suffered a permanent partial disability and was awarded $15 a week for 45 weeks, with $6 a week for the remainder of his life. The parties agreed on a commutation of $5,010, the district court approved, and a transcript was sent to the commissioner. He refused to approve, but the court, on being advised, entered the order. The company appealed for a ruling. The supreme court holds that if the legislature had intended that the commissioner should have absolute power of veto it would have said so.

Protects Employer as Well as Employe

LINCOLN, NEB., July 5.—The workmen's compensation law is for the protection of the employer equally with the employe; the latter is bound to be content with what the law allows and may not elect to sue at common law for damages. The Nebraska supreme court so holds in denying the right of Miss Lora A. Hower to sue the Rudge & Guenzel department store, Lincoln, for injuries received by tripping on a staircase in the store. Miss Hower came to Lincoln as New York representative of a firm leasing beauty parlor space in the department store. She claimed that she was its employe and not that of the Lincoln store. The court says that where two persons exercise some measure of control there is joint employment, and the evidence shows she was subject to store rules and was paid by the local company. The Ocean Accident is insurer.

When Cowboy Is Not a Cowboy

LINCOLN, NEB., July 6.—If a cowboy attends only to the necessary duties of sorting, feeding and driving cattle, the supreme court of Nebraska will look with favor on his claim under the workmen's compensation act, if the owner carries insurance. But if he repairs fences and does odd chores around the ranch, he is a farm laborer and hence does not come under the Nebraska statute. F. E. Cowden, employer of Charles E. Crowley, carried such insurance with the General Casualty & Surety. Cowden operates a 4,500-acre ranch. Crowley was at one end of a wire stretcher when it broke, and received severe and permanent hurts.

Appoint California Deputy

SAN FRANCISCO, July 6—Warren H. Pillsbury, for many years connected with the California industrial accident commission and more recently engaged in private practice, has been appointed deputy commissioner for the enforcement of the new longshoremen's and harbor workers' compensation act in California. Offices have been established in San Francisco and the insurance phase of the new law will be under the supervision of the California Inspection & Rating Bureau, which recently announced the rates as compiled and published by the National Council on Compensation Insurance. Other offices will be established in Seattle and Portland in the near future.

North Dakota Fund Solvent

BISMARCK, N. D., July 6.—Upon completion of an examination of the affairs of the state workmen's compensation bureau, O. B. Lund, examiner for the state board of auditors, reports that finances of the bureau are in good condition. After setting aside a reserve of $35,000 as an estimated additional medical expense on awarded claims, Mr. Lund places the surplus fund of the bureau at $737,808. "In our opinion, the fund as a whole is in a solvent condition and on the basis of the present volume of risks carried has ample net profits set aside to the surplus fund to meet any catastrophe or emergency that might arise," according to Mr. Lund.

Total assets and liabilities of the fund are placed at $1,742,304, including the surplus. Of the assets $1,666,045 is in cash or cash items; $1,072 is in registered school and township warrants; $15,522 in bonds securing unpaid premiums; $15,050 in unpaid premiums billed during the last 90 days; $19,968 in uncollected interest on the bureau's funds, and the remainder in furniture and fixtures, railway mileage books and an automobile.

Automobile Liability Case

This action was brought on a judgment obtained against driver of insured car, which was being used by such driver in a manner other than named in the policy without the consent, express or implied, of insured owner. Held that where the car in question was used at the time of accident in a manner other than that named in the policy, the court was not in error in directing a verdict for the defendant insurance company.—Kazden vs. Stein, Ct. of Appeals, 8th Dist., Ohio.

NEW YORK INDEMNITY IS LEAVING BUREAUS

Will Adhere Strictly to Rates on All Classes of Business It Writes

OVERLAPPING IS NOTED

Action May Hasten the Movement to Simplify the Organization End of Insurance Operations

NEW YORK, July 6.—President Spencer Welton of the New York Indemnity, feeling that the benefits derived by the company from its membership in a number of casualty organizations were disproportionate to the heavy expense entailed thereby, has given formal notice of retirement from the following bodies; National Bureau of Casualty & Surety Underwriters, Workmen's Compensation Publicity Bureau, Insurance Federation of America, Boiler & Engineering Insurance Survey Bureau, Bureau of Personal Accident & Health Underwriters, Plate Glass Insurance Exchange of New York, W. F. Moore plate glass insurance rating service and the Plate Glass Insurance Survey Bureau of New York. Its membership in the Surety Association of America, the Towner Rating Bureau and in the conferences governing acquisition costs, in the general casualty and in the fidelity and surety fields respectively, will be retained.

Will Adhere to Rates

In advising of his important decision Mr. Welton made very clear his purpose of adhering strictly to established rates and ethical practices in every line of underwriting, his uniform letter of resignation reading in part: "For administrative reasons which have to do with the policy of this company in the operation of its business, it is necessary for me to ask that you accept our resignation from your bureau as of the first date it is possible to make that resignation effective under our agreement to join your bureau. It is with profound regret that I send this notice to you, but today I see no alternative.

Will Not Be a Disturber

"To prevent misunderstanding, let me say that although the New York Indemnity Company is withdrawing from every bureau in which membership is voluntary, it will, nevertheless, maintain and strictly adhere to bureau rates and do nothing which in any way can be construed as taking any unfair advantage of its competitors by reason of its non-membership in the various bureaus and associations referred to."

Overlapping of Effort

That there is an overlapping of effort on the part of a number of the established casualty bureaus, is unquestioned. It was a recognition of this fact and with a purpose of remedying it that the Association of Casualty & Surety Executives was formed in December last. The function of this organization, membership in which as its title implies, is restricted strictly to company officials empowered with authority to enforce whatever action might be determined, was to make a thorough survey of practices in the surety and general casualty fields, and to recommend means for consolidating the governing machinery; increasing its efficiency and reduce the operating expense. While the association has been in existence for seven months, and has held three or four meetings, at which various committees have been

CENTRAL SURETY AND INSURANCE CORPORATION

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KANSAS CITY, MISSOURI

A SUPERIOR SERVICE TO AGENTS

The Central's Methods Are SIMPLE DIRECT FREE FROM RED TAPE

CASUALTY
INSURANCE
AND
SURETY
BONDS

WRITING BUSINESS IN FORTY STATES

CAPITAL AND SURPLUS
$1,011,220.93

FRED W. FLEMING,
President

DENNIS HUDSON,
Vice President and Manager of Agencies

appointed to deal with specific problems, nothing tangible has yet resulted. Apparently tired of waiting for concrete action, President Welton has now filed the resignation of the New York Indemnity from a number of the different organizations. This action, it is generally conceded now, will hasten movement on the part of the chief executives' association.

WITH BURGLARY UNDERWRITERS

ACTION CONSTITUTED THEFT

Loss Through Acceptance of Worthless Checks Held Covered by Broker's Blanket Bond

In Underwood vs. Globe Indemnity, court of appeals of New York, 156 N.E. 632, the company issued a broker's blanket bond containing the following provision: "Through robbery, holdup, or theft, by any person whomsoever, while the property is in transit within 20 miles of any of the offices covered hereunder, and in the custody of any of the insured's partners, or any of the employes, or any messenger temporarily employed; or through negligence on the part of any such employe or messenger having custody of the property while in transit as aforesaid."

While this bond was in force a salesman in the employ of the insured made delivery of Liberty bonds in the sum of $2,500 to one Dunn. In payment for the bonds the salesman accepted a purported certified check which thereafter proved worthless. It then developed that Dunn had resorted to this trick in order to get possession of the bonds and he escaped. The company took the position that the loss was not covered by the bond because at the time of the delivery of the bonds they were not in transit. The cause reached the higher court of appeal, and in reviewing the record, and in holding that the bond covered the loss sustained, the court said:

Constituted Theft

"The bonds were taken from Del Re by a false token, false representations, constituting theft. Theft means larceny or stealing. Dunn stole the bonds from Del Re by reason of false representations and a false token. The bonds, while handed over to Dunn, were never delivered to a customer, as Dunn was not a customer, but a thief, posing as a customer in order to steal. He was no more a customer than he would have been if he had grabbed Del Re by the throat and taken the bonds from his custody, in which case he would have committed robbery.

"The bonds were in transit within the meaning of this policy when they were taken out for delivery, and until delivery, in the legal sense of that word, to a customer. The bonds were in Del Re's possession when they were obtained from him by a trick and false device; title never passed to Dunn; they were procured from Del Re by common-law larceny."

Burglary Cases Decided

Held that the finding of fact that the brokers were agents of defendant for the acceptance of the premium was unsupported by the facts and hence acceptance of the premium by the brokers after notice of cancellation by the insurance company did not revive the policy. Mord vs. Hartford Accident & Indemnity, Ct. of Appeals, N. Y.

* * *

Where the agent of the company knew that plaintiff's alarm was not working and charged him at the same rate as a place not having an alarm, but the policy contained a warranty that the alarm would be in good working order, held that defendant was estopped from asserting the breach of such condition. Wilas vs. Fidelity & Deposit, Sup. Ct. Mich.

ACCIDENT AND HEALTH

LIFE INCOME PLAN DROPPED

Pacific Mutual Life Withdraws the Unlimited Sickness Indemnity of Its Disability Policies

The Pacific Mutual Life has announced that it has found it necessary to withdraw from sale the unlimited sickness indemnity feature of its commercial disability policy. Similar action has been taken by a number of other companies because they have found that the provision creates unprofitable experience. The Pacific Mutual Life held on to this feature hoping that by careful selection it could continue it. However, its own experience has demonstrated that the premium charged for the coverage is insufficient and that a proper premium would be prohibitive.

Disclaims Liability for Agents

In view of a recent court decision holding that an agent of the company who was killed in an automobile accident was an employe under the meaning of the workmen's compensation law and that the company was, therefore, liable under that law, the Business Men's Protective of Lincoln, Neb., writing accident and health insurance, has sent out a special notice to all of its agents, notifying them that it will assume no liability in case of injury to agents working on a commission basis. They are further notified that the company assumes no authority as to control over their time, having no right or title to it. It takes the position that, being an independent institution within themselves, they are free at all times to sell any lines that they would like to as their time is entirely their own.

MAY USE PRESENT MACHINE

Suggestion Made That Proposed Organization Employ Industrial Insurers Conference as the Basis

Some of the members of the Industrial Insurers' Conference, which until last year was known as the Southern Industrial Insurers' Conference, who have been receiving letters inviting them to become charter members of the new organization of industrial writing companies, are questioning whether the present conference to which they belong may not form the foundation for the new organization. The Industrial Insurers' Conference is already national in scope, having changed its name last year in order to conform to its national character. This conference has for its purpose the consideration of problems of the man on the debit, both from the agent's viewpoint and from the viewpoint of the company. These are fundamentally the purposes of the organization which is now being projected.

Would Have Group Sections

Those who consider that the present Industrial Insurers' Conference might furnish the foundation for the new organization would have the special problems of the accident and health writing companies to be considered in a group section and special problems of those writing life insurance to be considered in another group section. Today, however, particularly among members of the Industrial Insurers' Conference, there are few companies not writing both disability and life insurance. In fact the major interest of the strongest members of that conference are now centered on life insurance rather than accident and health insurance.

Because the old organization and the projected organization have the same objects in view, because of the multiplicity of present insurance organizations and the expense involved in attending them and because the Industrial Insurers' Conference is already existing, it is considered probable that the special committee, named at Hartford to start a new organization on its way, may be invited to confer at least with the Industrial Insurers' Conference to consider a plan which would avoid placing two organizations of similar nature in the insurance business.

WORLD RECORD IS CLAIMED

Continental Casualty Rolls Up Large Volume of Applications, Premiums in Two-Month Contest

Announcement is made by the Continental Casualty that what is believed to be a world record for applications and premium volume in the accident line was made in the company's drive for new business from May 1 to June 30. Total figures are not yet available. The figures for the amount of business done by the winners are as follow:

Mortimer Cahill took first honors with 305 applications for a total of $13,950 of premiums. Ralph Thorsen of J. B. Thorsen won second honors with 257 apps for approximately $10,000. James Ten Broek of Grand Rapids, Mich., won third place with 203 apps for $8,636. Fourth place went to Allen M. Reager of Louisville, Ky., for 222 apps for $7,187. Lyle Stephenson of Kansas City wrote a premium total of $8,552, but his apps numbered only 103.

The first five winners averaged more than $10,000 each in premiums. An interesting feature of the contest is that only one man, the winner of first place, ever has been known as a producer of accident business in any volume. Many others in addition to the winners did splendid work in a line that was new to them.

The company had the largest net writing of health and accident in May and June that it has ever had.

Will Pay for Aircraft Accidents

The Pacific Mutual Life announces that it will pay indemnity under its personal accident policies and under the accident portion of its disability policies, except the so-called limited contract, to the extent of the minimum amount provided in the policy for any loss specified resulting from injuries sustained while the insured is riding as a fare-paying passenger in a licensed commercial aircraft provided by an incorporated common carrier for passenger service and while such aircraft is operated by a licensed transport pilot and is flying in a regular civil airway between definitely established air ports. It will not cover injuries sustained in any military or naval aircraft or any form of unlicensed aviation of travel or while the insured is acting as a pilot or mechanic of an airplane. This will not entitle the assured to recover under the double indemnity provision.

Refused Oregon License

SALEM, ORE., July 6.—An Oregon license for 1927 has been refused to the Mutual Benefit Health & Accident of Omaha by Commissioner Lee, on the ground that it is not a stock company and that the Oregon laws do not permit such a company to operate in the state without capital of at least $200,000 and surplus of $100,000.

The company claims the right to operate on the strength of its financial status in its home state of Nebraska, but the attorney general has ruled that a contingent fund, which the company's Nebraska fund is said to be, cannot be considered as deposit capital.

Commissioner Lee has requested the company's agent to surrender their licenses, but the company's general agent in this state has advised them to go ahead and write insurance, so it is possible that further complications will arise.

Has New Accident Policy

The Ohio State Life is issuing a new travel and automobile accident policy known as the "Septpes" policy. The policy protects against accidents resulting from cranking, demonstrating, driving or riding in automobiles; being struck, run down or run over by an automobile, burning or explosion of an automobile, suffocation caused by carbon monoxide from the exhaust of an automobile; repairing a private automobile or changing a tire; wrecking of a passenger car while the insured is riding as a passenger on a steam, electric, street, elevated or subway railway train. For travel accidents the benefits are as follows: Loss of life, two limbs or two eyes, $2,450; one limb, $1,225; one eye, $840. For automobile accidents the benefits are as follows: Loss of life, two limbs or two eyes, $1,050; one limb, $490; one eye, $350. These indemnities are increased 7 percent each year until 49 percent has been added. The policy provides $98 a month for seven months for total disability, $7 for surgeon's fees for nondisabling injuries and $98 for identification and emergency. The cost is $7 per year.

The company has established a division of the health and accident department with Lewis G. Reynolds of Dayton, O., as general manager, to handle the new policy.

Accident Notes

John A. Keelan, superintendent of agencies for the Time of Milwaukee, has returned to the office after being on a fishing trip at Pine Lake, in northern Wisconsin.

M. M. Wensel has taken over the Federal Life, accident and health agency of Frank W. Hughes, Webster City, Ia. Mr. Hughes has been made manager of the Webster City territory for the Central Life of Des Moines.

PLATE GLASS INSURANCE

LOWERING OF RATES SOUGHT

Hartford Accident & Indemnity Goes on Record at Meeting Against Present Charge for Coverage

NEW YORK, July 7.—In response to a call by General Manager Norman R. Moray of the Hartford Accident & Indemnity, representatives of companies writing the plate glass line met here last week to consider the question of a downward revision in rates.

In addressing the meeting Mr. Moray said that underwriting profits are too high in some sections of the country under the present plate glass rates. A statement on the rate situation was presented for the Hartford Indemnity in which it was announced that unless the National Bureau companies and the companies subscribing to the W. F. Moore Bureau reach an agreement that will eliminate excessive rates as expressed by loss ratios, the Hartford Indemnity will immediately put into effect a series of reductions ranging from 5 to 33⅓ percent.

In discussion on the Hartford Indemnity's announcement it was revealed that negotiations between the Moore Bureau and the National Bureau already are under way for revision of the rates in areas that have shown loss ratios below the normal. The Hartford, therefore, agreed to postpone action on its proposed changes until July 21.

Constitution's Coast Appointments

J. P. Kessler, Pacific Coast manager for the Constitution Indemnity, announces a number of northwest general agency appointments, including the Union Trust Company, Walla Walla, Wash.; Swaze & Riehle, Tacoma, Wash., and S. H. Salomon, Portland, Ore. The Constitution Indemnity is now entered in California, Oregon and Washington, and Montana, Idaho, Nevada and Utah will be entered in the near future.

If it is a question of adequate and intelligent service, to both agent and policyholder, Continental measures up to the most exacting requirements.

Continental Casualty Company

H. G. B. Alexander, President

CHICAGO

Casualty Insurance *Surety Bonds*



"Some buildings, like certain temples of the Greeks, speak to the mind almost as music speaks—and change anxiety to trust"—

Back of every large institution is something more than a mere hulk of stone and steel—back of every organization is something more than just forms and furniture—back of every success is the will to serve.

Two men started the STANDARD on the way to recognition 43 years ago—and through all these years the men of STANDARD have upheld their ideals. Their's was a simple creed—their's was the desire to serve—they were men who held the esteem and confidence of fellow men far above the mere making of money.

And so today in Detroit—bordering on beautiful Cass Park—is a worthy monument to insurance. It is the Home Office of one of America's oldest and largest Casualty and Bonding companies.

Years will come and go—new generations will arrive—and surviving it all will stand this monument of the STANDARD ACCIDENT INSURANCE COMPANY OF DETROIT.

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Appreciate the co-operation of the

Massachusetts Bonding & Insurance Company

BOSTON **T. J. FALVEY, President**

Write for Territory

Paid-in Capital, $3,000,000 **Surplus to Policyholders, $6,035,856.96**

AMONG SURETY MEN

NOT LIABLE TO THIRD PARTY

Provision in Bond on Government Contract Covering "Damages to Person or Property" Construed

The liability of a surety on a government contractor's bond to a person injured in performance of the contract was determined in a recent action brought on a bond given by a contractor, with defendant bonding companies as sureties, for the performance of a contract made by the contractor with the United States. The bond was exacted by the United States pursuant to the provision of the act of Aug. 13, 1894, as amended by the act of Feb. 24, 1905; U. S. Comp. Stat., Sec. 6923. The bond was in the usual form, and ran only to the United States and was conditioned on the faithful performance by the contractor of all the conditions of the contract and the prompt payment of all persons supplying labor or materials in the prosecution of the work provided for in the contract. The contract contained a clause by which the contractor agreed to "be responsible for all damages to person or property which may occur in connection with the prosecution of the work." Plaintiff's claim was a judgment, affirmed by supreme court of the state for damages ensuing upon the wrongful death of the husband while in the employ of the contractor. Plaintiff contended that the quoted language imported a promise on the part of the contractor which created a contract for her benefit.

Held, that plaintiff could not recover, for if the clause in question imported a promise to the United States to pay damage to person or property, in the absence of any liability on the United States, it was not one which gave a right of action to a third person who was not privy to the contract or to the consideration. Such benefit as the third party might derive indirectly from its performance was not the equivalent of a contract with his benefit and advantage as its object and with the intention of benefiting or protecting him. The purpose of the quoted language was to allocate responsibility as between the United States and the contractor and to foreclose claims either by the contractor or third persons against the United States for damage to person or property.—U. S., for use of Spencer vs. Mass. Bonding, U. S. Circuit Court of Appeals, 6th Circuit.

Held Covered by Bond

BISMARCK, N. D., July 6.—The supreme court of North Dakota holds that in cases where the county treasurer fails to take proper steps to conserve funds, the state bonding department is liable. The decision was rendered in the case of Mercer county vs. H. J. Roberts and the state bonding fund. When Roberts was treasurer of Mercer county, he received a certificate of deposit and placed it in a bank in which some of the county's money was kept. The bank closed and it was found that Roberts had deposited in it more money than had been provided for in the resolutions of the county board. The county sought to collect on his bond. It lost in the Mercer county district court and the decision was reversed by the supreme court decision.

Change Milwaukee Picnic Date

MILWAUKEE, July 5.—The annual picnic of the Surety Underwriters' Association of Milwaukee will be held July 12 instead of July 19 as originally planned. It probably will be held at Roese's Resort on Pewaukee lake. The association held its last meeting of the season on July 1. The weekly sessions will be resumed in September.

American Bonding in Kansas City

KANSAS CITY, MO., July 6.—Ely & Mann of this city has been appointed general agent for the American Bonding of Baltimore. Otho Atkin, for the past ten years with the Fidelity & Deposit of Maryland, will be the head of the bonding department. Ely & Mann has had a bond department for some time but has never developed it to any extent. In his work with the Fidelity & Deposit, Mr. Atkin has made a specialty of development work. Until December, 1926, Mr. Atkin was branch manager for the Fidelity & Deposit at Havana, Cuba.

Causes of Losses Given

Figures recently tabulated and released by the Towner Rating Bureau on the causes of losses under bankers' blanket bonds indicate the importance to the bank and the surety company of having all bonded persons carefully investigated. The figures on losses and their causes are as follows:

Inside defalcation by officers and employes, including inside forgery, 64 percent; mysterious disappearance, misplacement or destruction, 12 percent; loss in transit, 7 percent; theft by an outsider 6 percent; forgery by an outsider, 5 percent; holdup of office, 4 percent; unclassified 1½ percent; safe burglary, ½ of 1 percent.

OPPORTUNITIES

WANTED

Experienced man in charge of production for large Casualty and Surety Agency. Prefer one with field and city production experience. Will pay good salary to right man. Answers should give full record of experience and will be strictly confidential. Address **B-27** Care The National Underwriter.

Hooper Holmes and Library Bureau Accident & Health Claim Experience and History Cards FOR SALE

..Set of Hooper Holmes and Library Bureau Accident & Health Experience and History cards filed together in six nearly new L. B. special cabinets costing $150 each. More than 400,000 cards kept up to date. Company selling cards began business in 1924. It is therefore apparent cards are nearly new. Address **B-37** Care The National Underwriter.

SPECIAL AGENT WANTED

Large Stock Company operating Branch Office in Chicago will consider applications from experienced Casualty and Surety men for position of Special Agent in down state territory. Plenty of opportunity for right man who can demonstrate ability to develop agency production. Give complete details of your experience in first letter, also mention salary desired. Address **B-40**, Care The National Underwriter.

PERSONAL GLIMPSES OF CASUALTY MEN

Stanley G. Martin, second vice-president of the Independence Indemnity, accompanied by Mrs. Martin and their daughter, sailed on the steamship "Montrose" June 25 for a vacation in Europe.

On July 1 the **Central Surety** of Kansas City celebrated its first anniversary. The event was marked by one candle placed on the desk of Fred W. Fleming, president of the company, by employes of the Central Surety. The company is now operating in 38 states and has approximately 2,000 agents in these states.

Clifford B. Morcom, vice-president of the casualty departments of the Aetna Life and affiliated companies and also vice-president of the Automobile, celebrated his 25th anniversary with the companies July 1. Vice-president Morcom is in charge of the company's underwriting, excluding the fire and life lines, and had his early training in the liability department of which he was assistant secretary for many years. He is a member of many underwriting committees in connection with different insurance organizations.

Van Lear Black, chairman of the board of the Fidelity & Deposit, who has been in Europe for the last several months, is making an airplane flight to India and Java. He will make 14 stops en route, and will spend several days in each city he visits. The start of the flight was made at Amsterdam, Holland. Mr. Black is keenly interested in commercial aviation and in the last few months has flown over a number of the established European airways.

G. R. Bartels, assistant manager of the claim department in the Chicago office of the Northwestern Casualty & Surety and the Union Indemnity, was married last week to Miss Caroline Forkin of Chicago.

Walter W. Morse of Portland, Me., first vice-president and agency director of the Eastern Casualty, has been elected president of the Lions' Club of Portland. Mr. Morse has been prominent in the club since its organization, having served as director and vice-president and was chairman of the general committee which entertained the New England convention at Portland.

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NEBRASKA BUS COVERAGE RULING IS INSURED

LINCOLN, NEB., July 6.—The Nebraska railway commission has issued an order covering liability insurance on intertown passenger bus service. The new policies to be issued will carry endorsements that are somewhat broader than now, which the commission says will afford the public more adequate protection in that the policy covers all cars operated by each company, whether described in the policy or not. This was conceded by the companies without much protest. The commission finds that the limits of liability shall be increased as follows: On motor vehicles carrying 12 passengers or less, $5,000-$20,000; 13 to 20 passengers, $5,000-$40,000; 21 to 30, $5,000 to $60,000; over 30, $80,000. This will cause a slight increase in premiums to be paid, but the operators made no objections. Heretofore the commission has not required bus operators to carry property damage insurance, but under the new order each vehicle must carry $1,000.

The commission will require that any company issuing these policies in the future must have a surplus to policyholders of not less than $300,000. The endorsement further provides that the obligations of the policy shall not be affected by any act or omission of the bus company or its employes with respect to any policy condition, nor by default in payment of premiums, or in giving notices required, nor in death, insolvency, legal incapacity or inability of the assured nor by the violation of any statute or commission rule. Cancellation notices must be served on the railway commission, the secretary of which is also made attorney-in-fact upon whom all legal service may be made in lawsuits. The policy is also made a continuing indemnity, which shall not be reduced as to any succeeding accident by any payment of claim or by any payment on any previous accident.

Scadden Is Associate Manager

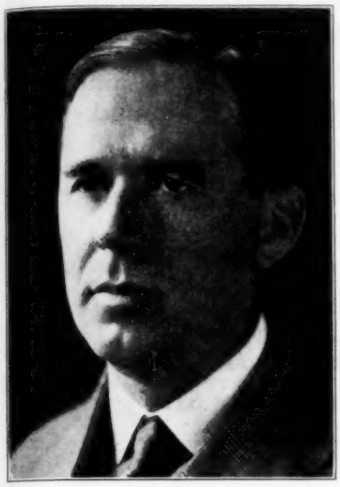
SAN FRANCISCO, July 6.—Thomas A. Scadden of San Francisco has become associate manager of the Massachusetts Bonding with F. B. Potwin. Mr. Scadden resigned from Landis & Brickell, general agents for the London Guarantee & Accident, to take the new post. His selection to manage the company jointly with Mr. Potwin gives credence to the report that it will write compensation business in California in the near future. Mr. Scadden has long experience in casualty underwriting, having been ten years with the San Francisco office of the United States Fidelity & Guaranty and five years with the London Guarantee & Accident. Mr. Potwin will continue to supervise the fidelity and surety business of the company on the coast.

Smith With London Guarantee

The London Guarantee & Accident announces the appointment of Clyde C. Smith as special agent for Iowa. Mr. Smith was formerly with the Central Federal Fire of Davenport, Ia., as special agent, and has been active in insurance circles and fire prevention activities for the past 20 years.

Wade Fetzer Was the Recipient of An Order Shower

Wade Fetzer of the general agency of W. A. Alexander & Co. of Chicago arrived at his office Monday from a trip abroad. Unbeknown to Mr. Fetzer his office had made June "Wade Fetzer" month. It resulted in 2,400 applications for new business of various kinds.



WADE FETZER

These orders printed on blue paper were fastened to strings of red, white and blue ribbons and festooned along the walls of Mr. Fetzer's private office. The walls were completely covered with these strings of orders. When Mr. Fetzer arrived at his office on Monday he found it decorated in this artistic way together with a beautiful bouquet of roses. He held open house during the day, meeting the members of his agency and friends who called on him.

Unearned Premium Issue Up

SIOUX CITY, IA., July 6.—The Iowa courts will determine whether claims for unearned insurance premiums take preference over general claims, the issue having been raised in the suit of the Roberts Agency of Chicago to recover $62,000 against the defunct American Bonding & Casualty of Sioux City, which failed in 1921. Should the court hold for the plaintiff in the action, the decision would apply to approximately $500,000 of like character.

Elevator Company Held Liable

DES MOINES, July 5.—The Otis Elevator Company rather than the Randolph Hotel Company must pay the $29,000 judgment obtained by Lois Hoskins against the hotel company following the elevator tragedy four years ago in which two persons were killed, two died of injuries and several were severely injured, the Iowa supreme court holds.

The ruling was in denial of a petition for rehearing on the high court's opinion of last December, holding the elevator company liable. Under the decision, which is final in this case, the elevator company must pay the hotel company approximately $17,000 it has already paid, and assume the rest of the obligation.

Suits growing out of the elevator crash totaled $187,500. The federal court of appeals recently held directly the opposite of the Iowa supreme court in a suit of Richard G. Hoskins, administrator of the estate of Harry W. Hill, deceased, against the Otis Elevator Company. Mr. Hill was one of those killed in the accident.

Long Branch Buses Affected

One result of the recent failure of the Manufacturers Liability of Jersey City was the tying up of buses in Long Branch, N. J., the policies on which had been cancelled by the insurance company after it had been placed in receivership.

SURETY CASES DECIDED IN THE HIGHER COURTS

Held, among other things, that if a creditor without knowledge of the surety gives time to the principal by enlarging the credit beyond the contract period, the surety is discharged both at law and in equity. Greek Catholic Union vs. American Surety, U. S. Dist. Ct. West. Dist. Penn.

* * *

Where the bank advised defendant surety company of the embezzlement of its employe as soon as all the items of loss had been determined by it, held that the notice was timely under the bond, which provided that notice be given "at the earliest practical moment" and "immediately" after the act or omission shall come to the knowledge of the employer. Peoples State Bank vs. U. S. Fidelity & Guaranty, Sup. Ct. La.

* * *

Contractors' Bonds—Held that the surety on a contractor's bond has a prior lien on moneys in the hands of a county belonging to a contractor for payment of labor employed and materials actually furnished over a bank to whom an assignment of the funds was made a year thereafter. Also, there could be no lien on the fund, under the statute, for oil, grease and kerosene furnished for use in maintaining and operating contractor's automobiles and tractors in connection with the job. Federal Surety Co. vs. Rand, U. S. Dist. Ct. Dist. of Kan., 1st Div.

* * *

Rights of Indemnitor as Against Principal, Limitations—An indemnity company was compelled as surety to respond on a bond because of defects in paving constructed by its principal. In action by the indemnity company to recoup from certain officers and stockholders of its principal, who in a written application for the bond had bound themselves to save the indemnity company from all losses, costs and charges by virtue thereof, the record is considered, and held, the action was not barred either by the five or the three-year statute of limitations. American Indemnity vs. Peak, Sup. Ct. Kan.

Lilly Is General Agent

R. J. Lilly, formerly with William B. Joyce & Co., has been appointed general agent in St. Paul for the Continental Casualty and Continental Assurance. He has taken offices in the Robert street building.

New York Indemnity Appointments

The New York Indemnity announces that Raymond D. Mable is now connected with its metropolitan branch office at 100 William street, New York City, as manager of the forgery, fraud, merchants protective and automobile bail bond departments. A. Ed. Kleinberger has been placed in charge of the same bonds in the Detroit branch office at 954 Buhl building.

Walter Wood has become connected with the metropolitan branch as specialist in burglary and plate glass lines.

The New York Indemnity announces the appointment of Branz & Feldman as general agents for casualty insurance at Fall River, Mass.

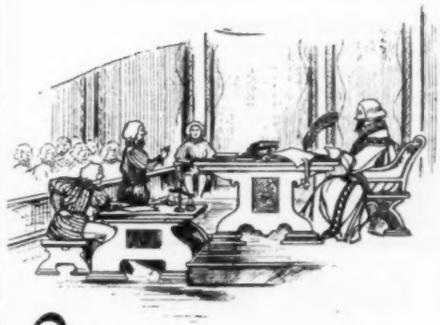
Promote New Florida Company

The Atlantic Casualty of Jacksonville, Fla., is in process of organization. The company is to have capital of $50,000. In the literature issued to assist in promoting the company, it is stated that the new company will be managed by experienced casualty men.

U. S. F. & G. to Enlarge Building

BALTIMORE, July 5.—The board of directors of the United States Fidelity & Guaranty has authorized President R. Howard Bland to proceed with plans for the erection of five new stories to the annex of the present building. Growth of the business of the company has made necessary further extension of the office facilities, it was stated.

Where the operator of buses had sole ownership of record, held that the clause in the policy was not violated, even though an agreement existed to execute chattel mortgages. Cook Motors Corp. vs. Casualty Association of America, Sup. Ct. Mich.





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